

All Honourable Men

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Corruption and Compromise in American Life

BY WALTER GOODMAN



LONGMANS

Conduct is really, however men may overlay it with philosophical disquisitions, the simplest thing in the world. That is to say, it is the simplest thing in the world as far as understanding is concerned; as regards doing, it is the hardest thing in the world.

MATTHEW ARNOLD

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1

Introduction: Scandals without Scoundrels

SCANDAL, like death, comes to others. Every age has its flamboyant swindlers and notoriety-courting actresses who go somersaulting across the heavens like aerialists in a circus and sometimes fall into the sawdust; their feats are thrilling yet the performers themselves, exotic figures in spangled tights, never become part of our experience. They never live on our street — it is hard to imagine where they live, unless it is a gypsy caravan — and they touch our lives only for their moments in the center ring.

During the past decade, these spectacular creatures have been joined in the spotlight of scandal by others of a more common cast. It is as though we were watching a change in theatrical fashion, from plays about gods to plays about humans, from amphitheater epic to nighttime television. Our new central characters are middling-high corporation executives who have made their way upward step by correct step, government officials with no extravagant craving for loot, and show-business folk without a speck of glamour.

The price-fixers, quiz-riggers and embarrassed officials whom we shall meet in these pages are not remote. They are not freak geniuses, they are not congenitally antisocial, they are not Teamsters Union thugs or knavish home-improvement salesmen. They are persons of substance and position, and though they may not occupy the house next door, it is only a short ride to their street.

Their temptations as well as their transgressions are of a different order from those of our near-legendary rogues, and no great leap of imagination is required for us to recognize them. We need only extend, not to the breaking point, some of our ordinary attitudes and aspirations, and there they are.

It is the custom, each time a scandal breaks out, for our political spokesmen to raise full cry over the latest indignity done to The American People, as though we were some dumb beast being assaulted by sadistic foreigners. But while few of us have the daring or the energy to go out swindling on our own, we generally make willing enough collaborators, given half a chance. Success is the surest key to national popularity: Lowell Birrell was never in want of dupes and Billie Sol Estes was never short of associates. If Erasmus returned today, he would find that prudence still consists "in being willing to wink at the doings of the crowd or to go along with it sociably." How many of us, turned *Twenty-One* contestant or General Electric executive, could have found the will to protest or even to step aside from fraud?

Our often-displayed ethical deficiencies provide a bubbling source of worry for those who take their ethics seriously. It is not difficult — it is quite tempting — as we look about to make a black case against our time: to lump together Charles Van Doren and adultery in the suburbs, income-tax cheating and juvenile delinquency, racial discrimination and Jimmy Hoffa, Sherman Adams and the Twist, and arrive at a total of national near-depravity. But except on ceremonial occasions, such temptations are best resisted.

That is not to say that concern over our moral condition is foolish. The finest spirits of many ages have wept and stormed at the excesses of leaders and the indifference of the multitude, and they were not wrong. While granting that all is far from perfect with us, however, there are some assumptions which we may profitably leave behind in the present investigation —

that this year is, ethically speaking, the worst of years, that we are at the nadir, that Something Must Be Done.

We shall try to steer a course between the newspaper reporting which grabs up random events as they speed past on the swift currents of our time and devours them in a single gulp, and the whirlpool of theorizing which sucks down into its insatiable maw every scrap of flotsam that comes along. The first section of this book deals with business, the main altar of American life. The second, on government, centers on the choices that confront public officials in a business society. And the third, on the mass media, concerns problems produced by a marriage of commercial values and public policy.

The major assumption we shall take along — it scarcely bears mentioning — is that the scandals of our generation have a good deal more to tell us about ourselves than their colorful forerunners did. Our *dramatis personae* did not court trouble by flouting convention. Wholesomely unexceptional for the most part, they remained true to the codes that had brought them wealth and esteem; far from being rebels or outlaws, they accepted the society on the society's terms, served it and prospered along with it. Their indiscretions, flowing naturally with their careers, make up the less attractive side of success in America.

The values represented by the few dozen individuals here celebrated have been sanctified in practice; it is a rare adult whom they have not touched. That is not proof of moral debacle, but the author does assume that, like himself, his readers were not eating berries in the wilderness while Bernard Goldfine and the vice presidents of General Electric were running things back home. If we now go on to make judgments about these men anyway, let it be without smugness. We are not all in the same boat, but we are traveling on one sea.

2

Business: A Way of Life

THE BIG business executive, having served the nation as both folk hero and folk villain, has become the American Everyman. We find in his dilemmas, set down in a few memorable reports and too many better-forgotten novels, some uneasy truths about our own experience. Walter Lippmann could not write today, as he did in 1928, that the morals of shareholders and executives "are only moderately interesting to the general public" and "almost never supply the main theme of popular fiction." Once, the commander of industry was larger than life; now it appears that life has become rather too large for him. He makes a brave attempt to endure its stresses, we are told, only to fall prey to its lures. He manages to meet, in one way or another, most of the extremely taxing demands of his working round, but turns away from the bigger questions it calls up. He is master in his own office, behind his own nameplate, but in the conference room and at the country club he must be on guard, and his home life is a series of petty, nagging impositions which he is relieved to flee for the hard but manly job he feels able to handle.

The portrait is overdrawn, yet we return to it as we might to the page of the newspaper that carries a report of a neighborhood catastrophe we happened to witness or easily might have witnessed. For this is our neighborhood. Well over eighty per cent of the gainfully employed in America — excepting

farmers, that diminishing breed — get their paychecks from corporations. Most of us owe our security as well as our insecurities to some corporation, and even more of our children will find their future there. Corporation life has, with sufficient reason, been called the destiny of Americans. Unless we happen to suffer from a severe case of nostalgia or some virulent doctrinairism, we can no longer look on the misbehavior of big business with the implacable eye of the muckrakers. And unless we are incorrigible romantics, we can hardly pay them the homage of adoration which Bruce Barton, Dale Carnegie and the rest of the native inspirationalist movement once paid so effusively. We know them, we know ourselves, too well.

While we have been learning to see the corporation men as both movers and moved, as human beings operating under special circumstances rather than as mythological figures, our former gods and devils have become self-conscious. The predatory forays in railroads, the mining swindles, the life insurance manipulations — these are many decades behind us. Big business, imbued with scruples by big government, big labor and the strategies of Public Relations, doesn't do such things any more, and would only be embarrassed by the appearance of an original Vanderbilt or a Carnegie or even a Billie Sol Estes in its ranks. Today's excesses, though serious enough, are not flagrant, and while they receive their due of criticism when exposed, their effects — and so their ethical implications — are not always easy to pin down. In both the price-fixing conspiracies and the conflict-of-interest cases which enlivened our recent corporate history, the principals maintained to the end that there was no victim; they may have violated a law, they conceded, or committed a *faux pas*, but they had harmed no one. A Westinghouse sales manager explained: "I assumed that criminal action meant damaging someone, injuring someone, and we did not do that." Despite such assumptions of innocence, however, few of the price-fixing defendants were indignant about being haled

to the bar. Most of them expressed concern, even repentance, along with their pledge that whatever had happened would not happen again. The days are long past when Jim Fisk, asked by a Congressional committee what had become of the millions of dollars he and Jay Gould had made and lost during their nearly successful attempt in 1869 to corner the United States gold market, blandly notified the Congressmen: "It has gone where the woodbine twineth."

We have come far too since the era when Standard Oil might be personified as a malefactor in a journalist's exposé. (Standard Oil of New Jersey is so imbued with social consciousness today that it has set up an Advisory Committee on Human Relations and sponsors artistic events on television.) Where Plato believed that an "organization" is corruptible precisely because it lacks an incorruptible spirit, Professor of Business Administration Robert W. Austin now tells us that "a corporation cannot be corrupt . . . for it is not the kind of being that can be so judged." When Louis Brandeis called corporations "soulless" in 1912, he meant it as a condemnation; today it would be an institutional exoneration. The metaphysicians at *Life* magazine, for example, point out that since corporations are soulless, they are in no position to pass judgment as to the rightness or wrongness of anything.

Throughout the electrical industry price-fixing drama of 1959-1961, the major corporations relied on the doctrine of individual responsibility as a mainstay of their defense. When the judge charged the defendants with being organization men, the biggest of the implicated companies replied that actually they were nonconformists. General Electric announced, as the indictments piled up, that it "did not authorize such conduct, but in fact forbade it if indeed such conduct occurred," and first demoted, then fired several executives to help establish the point. Westinghouse declared that "no Westinghouse employee is authorized to participate in any joint activity with competition

which reflects upon prices or markets." And Allis-Chalmers commented regretfully after the sentences had been handed down, "We think they [the convicted executives] were mistaken in their ideas as to what they ought to do to serve the company."

The last observation, of course, goes very much to the heart of things. What ought a corporation executive do to serve his company? And what ought he not do? When a doctoral candidate at the Harvard Business School put a set of questions bearing on this problem to a cross-section of several thousand executives, most of the 1700 who replied wrote that there were unethical practices in their own industries; that they were against the use of call girls and the padding of expense accounts; that they felt the "average executive" was less meticulous ethically than they themselves; and that unethical behavior was largely attributable to the climate of one's company and industry while ethical behavior could be credited mainly to their own strength of character.* Beyond these unstartling sentiments the scene grew cloudy, and the surveyor, despairing of a final answer, settled for the conclusion that "a serious problem" exists.

Even in so brief a synopsis, it is evident that this survey did call out some widely held attitudes among executives toward themselves and their fellows and their marketplace. But despite the popularity of the survey technique for informing us about everything from sexual behavior to product preference to political opinion, it has its limits. The more reflective corporation men no doubt sense the pressures and temptations to which they are vulnerable, and the more articulate can be enlightening on the subject. But most businessmen, accustomed to dealing with specific operative problems in a narrow context rather than to probing the sometimes murky depths of their own motivations, simply do not comprehend all the factors working on them and could not tell us about them coherently if they did. The survey-

* "How Ethical Are Businessmen?" by the Rev. Raymond C. Baumhart, S.J., *Harvard Business Review*, July, August, 1961.

taker who attempts to speak for them is embarking on a most uncertain project.

There is no reason, unless one is a corporation attorney or an editorial writer, to set about condemning or absolving individuals who are caught in commercial indiscretions. It is too fatly virtuous to say that these men must bear their sins on their own consciences and leave it at that; and it is sophomoric to say that everybody does it, so it's nobody's fault — or everybody's fault, which comes to the same thing. ("And for the next thirty days," lyricized the *National Review* after the price-fixing sentences had been handed out, "back there in the great stone house in Morris County, will sit seven shattered figurines, forever marked by the event that sets them off from sanctimonious fellow citizens in government, business, the courts, labor and the professions: they got caught.")

In trying to understand the businessmen who were caught in the price-fixing and conflict-of-interest cases, we can hardly escape making judgments about them and their mode of operation — and they have set themselves up conspicuously for judgment. But before hastening to pass sentence, we had better get clear in our own minds a whole set of related — and irrefragably prejudicial — attitudes. What do we think of their colleagues and their superiors, the corporations they served faithfully and well, the industries whose customs they followed, and, finally, our business society which, in however small or great a part, they most surely reflect?

Law and Folklore

The excitement that attended the exposure of price-fixing, bid-rigging and market-allocating in America's electrical supply industry had two main sources. First, there was the size and scope of the conspiracy, which William Rogers, who was United States Attorney General at the time of the indictments, said represented "as serious instances of bid-rigging and price-fixing

as have been charged in the more than half century life of the Sherman Act." The case involved twenty-nine companies, including two of the largest in the land; among them they supplied ninety-five per cent of the equipment sold in this country for the generation, transmission and control of electrical power. The products they were found to be collaborating over in restraint of trade accounted for \$1,750,000,000 a year in sales and ranged from \$3.40 insulators to multimillion-dollar turbines. The companies and forty-four of their high executives were fined nearly two million dollars and had to pay \$7,470,000 in damages to the federal government and millions more to states, municipalities and utilities that had bought the price-fixed merchandise. As many as eighty lawyers, personifying hundreds of thousands of dollars in legal fees, appeared for the defense during the trials, and many more found employment in the subsequent damage suits that jammed the federal courts.

While liberal editorial pages warned the corporations that they could not simply wash their hands of their convicted employees, and religious journals warned the employees that they couldn't hide behind their employers' skirts, conservative observers gave voice to a particularly personal distress. *Newsweek* columnist Raymond Moley, for example, remonstrated with the corporations as though he were a Youth Board worker addressing a temporarily quiescent street gang that had suddenly gone out bopping again: "It was an ill service to those of us who as spectators and commentators have, through thick and thin, defended business against the attacks of irresponsible demagogues." He called on the National Association of Manufacturers, which has still to resolve its feelings about child labor, to take the lead in the business community's housecleaning.

The disservice that these commentators seemed to be referring to, the offense which seemed to have shaken them most severely, was that by being indicted and pleading guilty and being fined and sent to jail, the corporations and the executives whom

they esteemed were staining the public image of big business it had taken so long to tidy up — and, more especially, they were betraying the loyal publicists who had been doing the tidying. The particular wrongs they committed, other than breaking a law which several of them had broken on numerous previous occasions and is widely honored in the breach, were rather quickly passed over. Attorney General Robert F. Kennedy did say that the price-fixers had milked the American people of more money than any scheme since Teapot Dome, but this may be taken as pardonable prosecution oratory. Nor need we be detained by Secretary of Commerce Luther H. Hodges's concern that people in newly independent countries would think ill of us because of the scandal and maybe succumb to Communism. The furor arose not because, on examination, the electrical industry case was so much worse in its effects than the numerous antitrust cases which had preceded it, but because of its size — and because of the unusually vivid picture it disclosed of ordinary business operations in a major industry. Once again, the anti-trust laws were serving as a catharsis for America's unresolved feelings about big business — that proud way of life which is an object of such grave suspicion.

All that the electrical equipment manufacturers did was to try to eliminate price competition in their field. Their executives set about it in colorful ways, but they were by and large in harmony with the workings of American capitalism, where, as Edwin H. Sutherland observed in his study of *White Collar Crime*, businessmen seek to obtain the privileges of free enterprise without meeting the obligations of free competition. It is true that sugar refiners, to take an industry at random, no longer speak as clearly in public places as their nineteenth-century forbear who put a Senate committee on notice that "We undertake to control the price of refined sugar in the United States — that must be distinctly understood." But consumers still have

trouble finding a cheaper sugar on supermarket shelves. Professor Sutherland concluded in 1949 that almost all large companies engage in illegal restraint of trade — and that more than half are “habitual criminals.”

Thurman Arnold brilliantly illuminated America’s mixed emotions about the antitrust laws twenty-five years ago in *The Folklore of Capitalism*, when he labeled the Sherman Act “a great moral gesture.” Its effect, he wrote, was not at all to maintain Free Enterprise and Rugged Competition in the marketplace — since nobody with any stake in a business cherishes either of these ideals except in addresses at trade association meetings — but to promote the growth of industrial organizations by deflecting attacks on them into ceremonial channels. By quelling the most flagrant outrages perpetrated by big business on the public and by making occasional quixotic assaults on one or another alleged excess, the antitrust law, which Justice Holmes termed “a humbug based on economic ignorance,” has allowed our corporations to grow ever bigger, to stay more or less respectable, to flourish. And so nearly everyone, liberal and conservative alike, pays it homage, and for quite different reasons, becomes upset when it is violated.

The great electrical price-fixing extravaganza was generated by the Tennessee Valley Authority’s annoyance at receiving identical sealed bids from its supposedly competing suppliers of electrical equipment; it was at least partly energized by Senator Estes Kefauver’s committee hearings; and the circuit was completed by the Justice Department and the courts. After it was all over, after all the expressions of corporate remorse had been set down in the record, identical bids on electrical equipment were still being submitted to the federal government and to municipalities.

Every housewife is aware that identical pricing in America is not confined to electrical turbines. The late T. K. Quinn, a former vice president of General Electric, estimated that in

one-third of the national economy — including automobiles, steel, cigarettes, cement, oil products, chemicals, roofing materials and machinery — not to mention light bulbs, which G.E. chairman Ralph J. Cordiner calls “one of the greatest bargains that you buy anywhere” — prices have been “stabilized” by a mutual understanding among the dominant firms. For the fact is that uncontrolled prices are far more abhorred in American industry than a bit of collusion. In 1937, Robert H. Jackson, then Assistant United States Attorney General, said: “Most men who come to the Department of Justice, complaining of someone else’s price-fixing, implore us to tell them how to ‘stabilize’ their own industry, which is a polite term for restraining of competition that they find it difficult to meet.” And twenty-three years later, the trade publication *Electrical World* classified business-allocating and bid-rigging as “completely improper” but added, with unusual frankness, that “price-fixing, for us, falls at least in a zone of questionable practice.” *

“Price leadership” has proved itself over the past half century as the most effective technique for establishing and maintaining

* Prices and the setting of them seem always to have been placed by businessmen in a special niche of ethics. Voltaire tells the story of a Scythian named Babouc, who is sent by Ithuriel, one of “the geni who preside over the empires of the earth,” to judge whether the city of Persepolis in Persia should be destroyed for the evil doings of its inhabitants. In the course of his investigation, Babouc buys some toys, only to discover that he has been grossly overcharged. Just as he is setting down the tradesman’s name for particular vengeance, there comes a knock at the door and the toy-seller himself appears, to return a purse which Babouc left on his counter. Babouc asks in astonishment how the man could be so honest about returning his purse after making him pay four times what the toys were worth. The merchant replies: “There is not a tradesman of ever so little note in the city that would not have returned thee thy purse; but whoever said that I sold thee these trifles for four times their value is greatly mistaken: I sold them for ten times their value. . . . But nothing is more just. It is the variable fancies of men that set a value on these baubles; it is this fancy that maintains an hundred workmen whom I employ; it is this that gives me a fine house and a handsome chariot and horses; it is this, in fine, that excites industry, encourages taste, promotes circulation, and produces abundance.” Voltaire reports that “Babouc, after having reflected a moment, erased the tradesman’s name from his tablets.”

control of an industry. One company, usually the most powerful, sets a price and its competitors go along. (The steel industry, shepherded by U. S. Steel, remains an outstanding case in point, despite its 1962 fiasco; although its timing for a price increase that year was atrocious, the strategy of price synchronization remains a hallowed one among the steel makers. "My concept," U. S. Steel's Roger Blough has explained, "is that a price that matches another price is a competitive price.") Firms that balk at following the leader are viewed as chiselers or, in the electrical industry, as "tin-knockers,"* and pressure is applied — social as well as economic — to get them to play by the rules of the game.

These rules do not eliminate competition, since they are frequently broken in time of stress. But their net effect is to make business life more decorous. When the relatively small I-T-E Circuit Breaker Company decided to go after some sealed-bid business in 1958, the firms which controlled the market felt that the little fellow was getting pushy, and a meeting was held to set him right. An Allis-Chalmers executive who attended explained later that "there was a lot of discussion . . . as to, let us say, their conduct in the business, as to how aggressive they might be." His own attitude was that "you don't ever want to stop anyone from being aggressive, that is for sure. The point is you can be aggressive in a number of ways. You can be aggressive to the point where the market has just deteriorated."

In this gentlemanly fashion were prices "administered," and nothing upset the conspiring electrical industry executives more than when one of their number reneged and slipped below the set figure — an action deemed uncourteous, uncooperative and unchristian. The "saddest part" of the price-fixing story in the management-focused view of the *Wall Street Journal* was

* A tin-knocker, according to Fred Loock, president of the Allen-Bradley Company, "is a fellow who has a little shack somewhere and has a hammer and a tinsnips, and with the aid of those efficient tools builds the cabinet which encloses the control apparatus which we build."

the demonstration that businessmen had lost faith in the workings of competition and were succumbing to the philosophy of the National Recovery Act. They had indeed succumbed, although they all detested the NRA straw eagle as fervently as did the *Wall Street Journal*. One of the convicted G.E. vice presidents, speaking after the fact more realistically than we have come to expect from vice presidents (in part, perhaps, because he'd just been fired from his job) expressed this opinion: "I think there has got to be some form possibly of administered prices. . . . I can't agree that administered prices as such are wrong provided the price leader realizes his moral responsibility in this thing to operate correctly."

Whether such a responsibility should be left to businessmen remains very much at issue, but no one can quarrel with the view that putting a price on a product represents a moral as well as an economic decision. The United States Tax Court judge who in 1962 ordered the Boeing Company to refund 13 million dollars in excess profits to the government did not accuse the aircraft manufacturer of an inferior grasp of supply and demand in the way it set prices; he charged the company with "unconscionable exploitation of the United States in its procurement of military necessities." And it was in the language of ethics, slightly camouflaged as old-fashioned economics, that General Electric and Westinghouse defended themselves against suits for damages resulting from their price-fixing. The prices paid, said General Electric, "were appropriate to the value received," and Westinghouse claimed that its buyers got "full and fair value."

Are the companies that sell the goods the best judges of what constitutes "fair value"? Only professors of economics seem able to discuss this interesting question without constraint. For the antitrust law, with all its unreality and confusion, still represents a cherished part of the American dream, and it touches nerves which merely reasonable propositions leave unbothered. It in-

duces men of affairs, such as former Secretary of the Treasury George M. Humphrey, to say things like this: "We are in good hands as long as the great American consumer is free from artificial restraint and can freely decide what he will buy, when he will buy it and what prices he is willing to pay." And General Electric had barely been convicted of price-fixing before chairman Cordiner was explaining that "we can't fix prices" because of the power of "the customer out there in the marketplace." Even Judge J. Cullen Ganey gave a boost to the myth of our economic voluntarism, when, in passing sentence on the convicted electrical executives, he declared from the bench, ". . . what is really at stake here is the survival of the kind of economy under which America has grown to greatness, the free enterprise system."

In the wake of a scandal such as the price-fixing conspiracy, it is the rule to issue pronouncements on the need for preserving free enterprise (defined as freedom from regulation, not from subsidy) and almost everyone on the scene did — accused, accusers and most observers. But the question of who should control those elements of the economy that stand in conspicuous need of control went largely unattended, even by observers on the left who delighted in watching the giant corporations squirm. Nor did any officeholder arise to announce his ambition to take over the job of setting prices. It was the same again in the embarrassing final hours of the 1962 steel affair; with neither the companies nor the Administration wishing to admit the un-American fact that political pressure can influence prices, face was saved all around when two small producers said they saw the error of the raise, and thus gave United States Steel some excuse to back down. (How well the steel companies learned their lesson was demonstrated by the finesse with which they handled their April, 1963, price rise, to which the Administration acceded gracefully.) The automatic displeasure which most businessmen can be counted on to register at the sugges-



tion of government price-fixing—even when no one has suggested it—is shared by a great many Americans, and few politicians feel comfortable talking openly about economic controls, except to attack them. As Thurman Arnold wrote: “Men have come to believe that their own future liberties and dignity are tied up in the freedom of great industrial organizations from restraint, in much the same way that they thought their salvation in the future was dependent on their reverence and support of great ecclesiastical organizations in the Middle Ages.”

Yet government, with a long and mostly honorable history of damping excessive individual initiative, is today no more ready than business to leave prices to the beneficent unseen hand of the marketplace. To return once again to April, 1962, when the major steel producers decided, for the sake of profits, to charge six dollars a ton more for steel, President Kennedy was not angered merely by the companies’ old habit of traveling in pricing tandem; he was bringing his power to bear against something far more basic—the right of private business to set prices as it sees fit, when this conflicts with public policy. But the White House never faced up to this philosophical issue.

Government has for some time deemed too much competition as well as too little to be unfair play and, under pressure of businessmen themselves, has passed laws against it. When, for example, automobile dealers found they were being ill-used by the species of free enterprise inflicted on them by the car manufacturers, they lobbied for—and got—a federal statute to protect them. At the same time that one set of lawyers in the Antitrust Division is ready to pounce on the drug companies or the oil companies for their reluctance to do serious battle with one another, a second set of trustbusters is on guard against big firms using their heavy competitive clubs to knock smaller firms senseless.

If the government’s apparent schizophrenia needed emphasis, it came in the third act of the price-fixing drama, when General

Electric balked at the consent decree proposed by the Justice Department. The provision that the company, with a history of antitrust violations going back to 1920, deemed obnoxious was not one which would have prevented it from stifling competition, but one which would have prevented it from being overly competitive. General Electric objected to a clause, drawn from the Robinson-Patman Act, prohibiting it from charging "unreasonably low prices"; and if that were not enough, the government wanted to lay upon the *company* the burden of proving that its prices would not injure its competitors. Outraged at this assault on its corporate virtue, General Electric called the proposal "a government-sponsored price support program in the electrical industry," and chairman Cordiner, fresh from paying almost a half-million dollars of his firm's money as the penalty for fixing prices, declared firmly: "Even with the government condoning it, we are not going to get involved in price-fixing." One expected the spirit of price-fixing to rear up at these words like Baalam's ass, and reproach the head of General Electric: "What have I done unto thee that thou hast smitten me. . . . Am not I thine ass, upon which thou hast ridden all thy life long unto this day?"

We live in a regulated economy, and the real question in antitrust enforcement, Walton Hamilton, Professor Emeritus of Law at Yale, points out, is not the guilt of a corporation or its executives, but whether their activities serve the public interest. Our large enterprises are not supposed to treat competitors either too kindly or too unkindly. Both restrictions are supported by sound reasons of policy and excellent ethical principles, since certain forms of competition — particularly price-cutting and discriminatory pricing — are likely to end up by eliminating one or more competitors and possibly competition itself. Yet out of fear of the political and economic consequences of the truth and sometimes out of fond naïveté, our businessmen and their defenders in press and politics go on extolling America's un-

trammled competitive spirit. Here is Robert Paxton, retired president of General Electric, who was with the company for a dozen years before the existence of the antitrust laws came to his attention, explaining the results of his personal study to determine why the United States is more prosperous than Great Britain: "I made myself a student of economics . . . I came to the conclusion that the reason why we had progressed was because we did believe in competition. . . ." And here is John K. Hodnette, executive vice president of Westinghouse, expounding on the antitrust law: "I think it has been the foundation of American business and the free enterprise system, and it has been one of the greatest things that has ever happened to this country in increasing the standard of living of these people, open and free competition, which is guaranteed under this law."

William Hazlitt observed that the hypocrite is not the man who does not practice all he wishes or approves but the one who professes what he does not believe. Exactly what our businessmen actually believe about competition is not easy to get at; they don't seem to be sure themselves. Mr. Paxton never during his many years with General Electric reported any hints of price-fixing to his superiors, since, he explained, they were out of his jurisdiction. But he conceded that he would, of course, have reported any theft of property that came to his attention, even if it took place in another department. He made in practice the value judgment which he could not acknowledge in public.

Whether our corporation executives are hypocrites or dreamers or are simply not given to reflecting on matters much beyond their profit-and-loss statements, the mélange of patriotism, folk myth and high-school economics which they serve up to one another at banquets in their own honor is not nutritious to that concern with reality from which ethical behavior can grow. "To acquiesce in discrepancy," cautioned Alfred North Whitehead, "is destructive of candor and of moral clean-

liness." When former Antitrust Division head Robert A. Bicks said of the electrical equipment conspirators whom he had helped to convict, "These men and these companies have in a true sense mocked the image of that economic system which we profess to the world," he was speaking with precision. The deeper problem lies in our habit of professing ideals whose relation to the facts of business life is highly tenuous.

The Men in the Middle

Caught in our misty business morality is the middle executive, that decidedly twentieth-century American who holds such fascination for journalists, sociologists and novelists. Not high enough in the organization to profess innocence, yet too high to practice it, he must continually interpret management policy, make the daily decisions and do, or order others to do, the sometimes dirty work of the marketplace — which brings us to the second element that gave the electrical price-fixing conspiracy its special flavor. The evidence on which antitrust suits commonly stand — and frequently fall as the years in court drag on — is of the no-nonsense sort that engrosses accountants and wears out everyone else. Charts and graphs, dates and dollars and interminable comparisons of figures may make an impressive courtroom presentation, but they are impossible newspaper reading.

In the electrical cases, however, the reading was compelling. The nation was treated to the kind of classic conspiratorial details, lacking only slouch hats and phoney mustaches, which usually come packaged in thirty-five-cent paperbacks. Dozens of high executives were found to be holding clandestine meetings in hunting lodges and hotels,* making secret calls, writing letters without signatures or return addresses, using private

* The hotels included New York City's Barclay, which advertised, while the price-fixing indictments were being issued, that "Corporation secrets are best discussed in the privacy of an executive suite at the Barclay."

codes, destroying records — all these in the course of their attempts to reach illegal agreements.* Some of them had been skulking about in this way for more than twenty years; one man estimated that such dealings in his industry went back to 1896. By and large, their plottings were to some purpose, although on occasion they plotted and plotted, only to have their agreement promptly betrayed by an overanxious or underadept collaborator, and the resultant disarray made it seem that the Marx Brothers had gotten tangled up in a Nick Carter thriller. Once, a private intercompany memorandum was mailed by mistake not to a competitor but to a customer. The latter showed up at his supplier's office, memo in hand, and inquired: "How is this? I get all the prices in this funny typewritten sheet, and they just line up with the quotations I get a week later. How do you explain this?"

For observers inclined to moralizing, the focus of the cases naturally became the middle executives — affluent, respected, good at their jobs, successful in all the ways it is possible to measure at a distance — who were found to have been systematically violating the law for a long time. Moreover, it appeared that most of them had committed their crimes not out of some idealism associated with unregenerate free-traders, but mainly because that's how things were done in their industry. As one interpreted his role, "I had no other alternative but to believe that this was the way that business was conducted and this was my job to try to do the best I could to make a profit and build up the sales for our company."

Calling in 1940 for the abandonment of criminal prosecutions under the antitrust law, Justice Department official Wendell

* A lucid report on their activities, "The Incredible Electrical Conspiracy," by Richard Austin Smith, appeared in the April and May, 1961, issues of *Fortune*. The case has also been commemorated by two books: a hastily gotten-up effort entitled *The Gentlemen Conspirators*, by John C. Fuller, Grove Press, 1962; and a sounder job of research by John Herling, *The Great Price Conspiracy*, Robert B. Luce, 1962.

Berge wrote: "Most of the defendants in the antitrust cases are not criminals in the usual sense. There is no inherent reason why antitrust enforcement requires branding them as such." It tells a good deal about the shift of national attention in the past twenty years from the behavior of the all-powerful corporation to that of the individuals who run it and are run by it, that in a rare employment of the punitive provisions of the antitrust law, seven leading electrical industry executives were actually put behind bars for almost a month.

Judge Ganey reported afterward that his mail was running one hundred to one in favor of the jail sentences, but even those who were most gratified that a few of the conspirators had been jailed seemed to see the matter symbolically. They had to generate quite a bit of rhetoric to persuade themselves that the imprisoned men were *real* criminals who had committed a real crime like extortion or embezzlement. Certainly there was no personal disgrace attached to the sentences. On emerging from prison, these "shattered figurines" of the *National Review's* imagination received an affable farewell from the warden, their host, and either returned to their former positions or soon found new ones. There was never any question of their being snubbed when they got back home. "He's still an honorable citizen in our eyes," said a neighbor of one of the men. "My God," exclaimed a businessman friend of another, "there's no shame . . ." and the executive himself was given a unanimous vote of confidence by his church, an upper-class congregation with no history of ministering to criminal parishioners.

The harshest judgment on these men was delivered not from bench or pulpit but from the executive suite itself. To G.E. chairman Cordiner, it seemed clear that two motives were at work on the malcfactors: One was the desire to become more influential, "to be 'Mr. Transformer' or 'Mr. Switchgear'"; the second was the temptation of "an indolent, lazy way to do business." He said: "When you get all through with all the rational-

ization, you have to come back to one or another of those conclusions." The executives' attorneys, on the other hand, laid most of the blame on the companies. They told the court that their clients were driven to their criminal acts out of fear of being fired.

Every man is undoubtedly susceptible to that weakness of character that makes him want to be known as "Mr. Switch-gear," but chairman Cordiner's judgment was as overly simplified as that of the defense attorneys. The dozens of implicated executives had given long and loyal service to their companies; of the three G.E. men who went to jail, the lowest in tenure had been with the corporation for twenty-five years, and one of his fellow inmates had been there fifteen years longer. After twenty or thirty or forty years of working for a firm — working, as a former vice president of Allis-Chalmers put it, "with no starting hours and no stopping hours" — a man may be expected to have trouble keeping in clear focus where his own interests diverge from those of his company. They have a way of flowing together, like two ~~ropes~~ before the eyes of a driver who has been at the wheel all night.

No one can impugn the executives' company loyalty. Sometimes, they conceded, they might falsify their records in order to conceal a trip to a city where illegal talks were scheduled, but as one added immediately, "We would not pad our expense accounts." (Nearly everyone pads expense accounts, of course, and few firms care much about the custom; nonetheless, it remains a touchy area for the devoted company man.) One of the G.E. vice presidents issued a statement to his fellow employees and friends from prison to remind them "that General Electric, Schenectady, and its people have undergone many ordeals together and we have not only survived them, but have come out stronger, more vigorous, more alive than ever. We shall again." He was not a good prophet, since the company fired him soon afterward — but he was a loyal one. Another

G.E. man, who was demoted after his indictment and had his salary reduced from \$74,000 to \$27,600, said that he wasn't too unhappy about his punishment: "I was only too glad to be able to stay with this company that I loved. . . ." But he too was fired, at the age of fifty-five, after having served General Electric for thirty-five years, and he uttered his own pathetic epitaph: ". . . I think the General Electric Company is a company to admire. I think they have done a lot for this country, and after being thirty-five years with a company, creating your associations, you don't like to do anything that would cut you off with ill feelings."

The dedication of these men had been proved over decades, and had been richly acknowledged. (Indeed, suits were brought against General Electric after the price-fixing convictions on the amusing grounds that its incentive compensation and stock option plans were means of rewarding executives for unlawful activities.) When, in sentencing the price-fixers, however, Judge Ganey said that their consciences had been salved by their high salaries, he was giving way to an economic reductivism which did the men an injustice. Their consciences were quiet for a more profound reason than money: breaking this dubious law was not enough to disturb them, whereas failing in their obligation to company and career would have been a highly unsettling experience. They were being true to a code other than the Antitrust Division's. Casanova's conscience never troubled him much over his seductions, but on the single occasion when he found himself unable to perform upon his latest lovely conquest, he was overcome with remorse and gave way to bitter self-denigration.

The Pressures of the Market

In unlawful as in lawful activities, when a man is driven to the wall, as Emerson remarked, the chances of integrity are frightfully diminished. The irony that the covert cooperators in the

electrical industry shared without enjoyment was that their agreements held up when they weren't much needed and had a way of breaking down when they were essential. A former switchgear sales manager for one of the smaller firms described the situation puzzledly. It was, he said, a "peculiar thing." The meetings "seemed to exist when there was more demand, more volume. Things worked. When this fell off, they seemed to fall apart." The Korean war, for example, was a prosperous period for the industry. Demand for electrical equipment was very high; there was business for everyone, and to spare; and prices would have stayed up without any additional props. Still, meetings — amiable ones — were held during these years, at which prices were fixed and markets allocated. But immediately after the war, discussions among the major producers of small turbine generators with a view to rigging sealed bids to public agencies proved ineffectual because of declining demand. The fast tax write-offs allowed by the government to increase wartime production had done their job only too well; the companies now had too much productive capacity, and the pressure was on to maintain volume, even if it meant selling at smaller markups. Consequently, prices dropped.

Competition in the electrical industry, although it seldom resembles the bare-knuckle combat our big businessmen like to imagine they are engaged in, did make itself felt when orders were scarce. Smaller firms were particularly pinched: to ask more than General Electric was getting for a standard item was out of the question; to ask less was to invite a price war which they couldn't win. Nobody in the industry found much chann in prices set by Adam Smith's naked play of market forces — except when business was good. Otherwise, the general attitude toward a price determined by the unassisted supply-demand curve was much what a medieval moralist's might have been; it was viewed as arbitrary and unjust, a remnant of chaos rather than part of a sensible, properly ordered universe. The twentieth-

century corporation man is not as certain as the medieval man about precisely what goes into making a "just price," but he knows perfectly well when matters are getting out of hand, and that is what the electrical industry executives were trying to prevent. As a bituminous coal mine operator, beset by over-capacity, is once supposed to have remarked to a government official: "Them ethics is a luxury we just can't afford."

Once price is eliminated as a competitive element, competition becomes less grim — particularly for salesmen with the prestige of the larger companies behind them. A few salesmen were uncomfortable about having their major weapon banned, but most, less combative of spirit, took gratefully to the partial disarmament. In the circuit-breaker industry, for example, top executives of the four competing firms would pass intercompany memos around once a week, listing the jobs coming up, the price each would bid, and other pertinent information. It was a companionable and tidy way of doing business, and nothing upset the participants so much as the weakness and duplicity of certain firms which, like scabs during a strike or profiteers during a siege, would run out on their comrades and endanger the security of the group — in this case by suddenly cutting prices. "If people did not have the desire to make it work, it never worked," commented a G.E. vice president. "And if people had the desire to make it work, it wasn't necessary to have the meetings and violate the law." But needless to say, such decisions were not simply left to the individual taste, and many a meeting was taken up with trying to nudge a straying company back into ranks.

Such was the importance placed on holding the price line in the recession year of 1958 that Allis-Chalmers agreed to have its allotted share of circuit-breaker sales to public agencies reduced rather than face the prospect of a pricing fight set off by smaller companies trying to get established in the field. But there were limits to such generosity; the small firms were given

to understand that if they attempted to exceed their new allotments, they could expect severe retribution, in the form of price-cutting, from their big colleagues. The overriding objective, everyone agreed, was that the market price be kept "stable." This was the moral consensus, and even occasional price-cutters frowned severely on active price competition as leading to what everyone thought of as "a destructive market."

Just how destructive it could be became apparent early in 1957 when the industry's two giants found themselves involved in a knock-down-drag-out match comparable to the kind of thing they incessantly praise in theory. General Electric discovered that Westinghouse had gone back on its agreement to keep prices at book level by offering Florida Power and Light Company a heavy discount on circuit breakers, to be concealed in its order for turbines. General Electric accordingly lowered *its* price to the utility and wound up with the entire order. Westinghouse countered by offering Baltimore Gas and Electric five per cent off on a sizable order; Allis-Chalmers gave Potomac Electric twelve per cent off; Westinghouse gave Atlantic City Electric twenty per cent off. And so it went, until by the end of the year, prices were down to sixty per cent off book.

With income being buffered by the free play of the market, it became obvious to all parties that agreement had to be reached quickly, and frantic efforts were made to stem the painful competition. This happened more than once. Early in 1959, for example, prices on motors dropped precipitously to about fifty per cent of the catalogue figures. The general manager of General Electric's direct current motor and generator department, dismayed by his sliding profits in this "soft" market, appealed to his salesmen to "sell service . . . the value or product and not resort to price-cutting to get business." But value is a subtle quality when divorced from price, and the salesmen, fighting to hold customers and keep up their own

selling records, would not altogether oblige him. Finally, the manager felt he had no choice but to resort to industry precedent and get in touch with his competitors. As he later explained, he "tried to use statesmanship" and made an effort "to get an improved philosophy behind this thing. . . ." More precisely, he wanted the other firms to agree to go back up to book price on motors. In still another part of the industry, an outside emissary — the editor of a trade magazine — notified a \$127,000-a-year G.E. executive that the rest of the industry thought he was "a stinker" for not agreeing to meet with competitors.

The most celebrated example of a slump in the market engendering a rise in the conspiracy came in 1954. General Electric had only a loose working arrangement with its competitors at the time, and as long as business stayed good, that sufficed. But in 1954, General Electric's sales fell by 176 million dollars. And when Westinghouse beat it out on a big turbine order by cutting its price substantially, G.E. management gave its salesmen to understand that this wasn't to happen again. The message was received and implemented. Transformer and switch-gear prices went down and down, until in January, 1955, they had sunk to forty-five to fifty per cent off book. Just as department stores have their annual sales of linens in January, so the electrical industry was indulging in its own White Sale — and that is what the unhappy affair was called in the trade. Unlike sheets and pillowcases, however, heavy equipment is not wrapped up and taken home at the moment of purchase; the bargains the companies were giving in 1955 would cut their profit margins for months to come. Competition had taken them far enough and now, like the working of an alternating current, the executives sought a return to stable prices by meeting with competitors.

Competition, we have been taught, brings out excellent qualities in businessmen; it challenges their vigor, self-reliance

and ingenuity. And when it becomes disorderly, it calls forth more fraternal impulses. The electrical industry executives seem to have discovered in practice the validity of an abhorrent principle — that free competition leads to catastrophe. Possibly one or another of them, lying awake in his hotel bed one night after a bid-rigging session, actually mused upon the ethical balance of what he was doing. On one side was the law, a distant, little-respected, often-ignored, sporadically enforced, difficult-to-interpret law. And along with it were his industry's chiselers, tin-knockers and stinkers, and the specter of a destructive market which could only harm himself, his company, his associates, his friends. If it were really late at night, he might conjure up the workers who would have to be fired, the research and engineering that would have to be scrapped, the distress on Wall Street and in the bosoms of widowed stockholders. On the other side was stability, faithfulness to an established system of agreements entered into with men liked and respected in his compact industry, and altogether a more harmonious, equitable, *sound* way of business life — with no thought of bilking the public.

"One faces a decision, I guess, at such times, about how far to go with company instructions," reflected one executive, "and since the spirit of such meetings only appeared to be correcting a horrible price level situation, that there was not an attempt to damage customers, charge excessive prices, there was no personal gain in it for me, the company did not seem actually to be defrauding . . . morally, it did not seem quite as bad as might be inferred by the definition of the activity itself."

The scales of the law were against him. But he might plead that he was only extending to the marketplace the social engineer's ethic of equilibrium above all things which has come to pervade the modern business organization. He might tell himself that he was helping to realize the ideal set forth by David Lilienthal in his 1953 paean to the ever-growing corporation, *Big Business, A New Era*, when price competition will be

entirely discarded as a remnant of savage times and replaced by enormous productivity. And having gotten this far, he might conclude that he and his fellows were in their way sturdily upholding the traditional duties of the volunteer police force — preventing unpleasantness, modifying uncertainty and keeping the peace.

The Ambiguities of Management

There is no reason to believe that ethical speculation was giving many of the electrical industry executives insomnia. If they occasionally had trouble falling asleep it was more likely due to the effects of over-celebrating (their private meetings were often held during an industry convention) or to wondering how much, exactly, their top officers knew about the conspiracy and what, exactly, their attitudes were toward the price negotiations.

For representatives of the smaller corporations, this was no mystery. Their top men knew all about the meetings, and they knew they knew. Fred Loock, coiner of the “tin-knocker” epithet and president, general manager and sales manager of a firm producing between 75 million and 100 million dollars’ worth of radio components and motor control equipment a year, was not only aware of the meetings, but participated vigorously in them himself for forty years, and continued to affirm most truculently after he had pleaded guilty and been fined and given a suspended jail sentence that he was being hung on a technicality.

Mr. Loock, who started with his company in 1910, stood among his fellow defendants like a stern reproach to Other-Directed Man. While they were beating their breasts in public for having disobeyed the antitrust law, he pummeled the law. While others were explaining earnestly that although prices were often fixed, they were rarely raised, he said that prices weren’t fixed, merely raised (“ . . . all we did was recover costs”), that it was essential that this be accomplished in close

harmony, and that he was constitutionally out of sympathy with low prices. While professions of public-spiritedness were rolling off tongues all around him, Mr. Looock growled that he preferred not to do business with the government because they complicated matters by insisting on sealed bids. And the reason that the practice of dividing up the country into exclusive markets as other branches of the electrical industry had done did not appeal to him was a practical one — it would eliminate the incentive to do better: “. . . you might just as well fire your sales department and fire your research and design department. . . .” As the concept of free will guarantees every man the right to mental bondage, so the free competition in which Mr. Looock believed included the right to quell itself if that became desirable. It was entirely in accord with his world view for Mr. Looock, whose company has helped sponsor the John Birch Society magazine, to note in passing that although he made \$130,000 a year, “we have an income tax in this glorious country of ours that takes most of the money away.”

It is tempting to believe that somewhere within every businessman there lurks a Fred Looock, unvarnished, untamed, unrepentant, who must one day burst the buttons of the suit tailored for him by his public relations adviser. But, alas, Mr. Looock's uncomplicated business morality belongs to another age, and his gruff appearance in the midst of men who dropped phrases of social consciousness the way John D. Rockefeller once handed out dimes only accentuated his obsolescence. He was like the old, half-forgotten uncle who shows up at a wedding, gruff, ill-kempt, unshaven, an embarrassing tatter of the family history. One can imagine that lesser executives in his company spent sleepless nights for many reasons, but not out of any uncertainty over their chief's attitude toward meeting with competitors.

As size goes in the electrical industry, Mr. Looock was a small operator as well as philosophically old-fashioned. He never held

price talks with his equals at the larger corporations, he explained with a note of disparagement, because "they would not know enough about the details of their business to be able to discuss those details." And, indeed, he probably would have gotten little satisfaction from them. Max Scott, president of the I-T-E Circuit Breaker Company of Philadelphia, another firm in the 100-million-dollar class, recalls that he spoke on the subject of prices with Robert Paxton a few weeks before the latter was made president of General Electric in 1958. Mr. Scott was interested in having "a philosophical discussion of prices," but at the conclusion of the conversation, he was left in doubt as to just what, if anything, had been agreed on.

"Well, Scott," Mr. Paxton told him, "you cannot do business at the old stand any longer." Mr. Scott pressed him to speak without benefit of metaphor, and after some sparring, Mr. Paxton said, ". . . this business in the backroom after NEMA [National Electrical Manufacturers Association] conventions, where they talk about prices and all of that. That is out. There are strict orders in the General Electric Company that anyone who participates in anything like that will be fired on the spot." And, added Mr. Paxton, ". . . there was no wink connected to it." These apparently definite statements indicated two things to Mr. Scott, who was not inexperienced in the ways of price agreements or of large corporations — first, that Mr. Paxton knew of price collusion in the past; and second, that his company's policy was against it for the present. But before they parted, Mr. Scott had made arrangements through Mr. Paxton to meet another important G.E. executive whom he knew for certain had been engaging in price talks. Mr. Scott recalls that he left the meeting wondering, "Was there a wink or wasn't there a wink? Was there a wink or wasn't there a wink?"

Executives at General Electric wondered much the same thing when they heard about the meeting. As one recalled, "I couldn't see any reason why the president of the company

should suggest that our vice president have lunch with a competitor who had been vigorously urging price discussions if he didn't want to discuss prices." And what was a G.E. department manager to think when his company's president, who had no reputation as a milksop, remarked to him at a time when prices were slipping, "It is too bad we can't talk to competitors, but I guess we can't do that." As long as agreements were kept at the working level, it didn't matter greatly to the chief executives of the lesser firms whether their counterparts at General Electric and Westinghouse knew and approved of what was going on. But for the lesser executives of the chief firms, the men on the line, the attitude of their superiors was a continuing source of speculation and wonderment.*

"My advice to the young," a prominent businessman has said, "is to find an ethical boss." Whatever difficulties there may be in following it, this is unsurpassable advice. Most of the conspirators had been initiated into "the clan" by an immediate superior. A very repentant marketing research specialist explained plausibly that "I got into it in the beginning when I was young. I probably was impressed by the manager of marketing asking me to go to a meeting with him. I probably was naïve." Another executive recalled that every direct supervisor he had ever had ordered him to meet with competitors. Unless he is a relative of the chairman of the board, the promising junior in a big corporation has no alternative but to be guided

* For details of the relations between the managements of the largest electrical firms and their conspiring executives, we must rely on the testimony of the G.E. men who were convicted, sentenced, demoted, and finally fired by the company despite pledges to the contrary. Westinghouse took no action against employees who were involved in the affair, and this act of kindness seemed to dim the memories of the Westinghouse personnel, to make them vague, rather legalistic and at all times considerate of company superiors. The former G.E. executives, on the other hand, spoke with a freedom given only to ex-employees. I have tried to discount extraneous malice wherever it appeared; that was not often.

by the man above him, much as a Marine Corps boot knows he must look to his D.I. and not to the Commander in Chief of the Armed Forces for instruction, training, discipline and commendation. A Westinghouse manager put this fact of corporation life into luminously simple language: "I don't protest to my boss when he says something."

The principle is elementary. One of the most skilled of General Electric's price conspirators, whose indoctrination in the arts of collaborating with competition stemmed from OPA days, owed his appointment as switchgear division marketing manager to his predecessor's reluctance to deal with competitors. The dispossessed manager was described to the newcomer as being overly "religious" and "not broad enough for the job." The new man was put on notice that he, on the contrary, was expected to display sufficient breadth: "I was supposed to be proud enough to carry on this work." Another switchgear executive was given his job on a trial basis of two years — if he didn't produce, he was out. And producing meant to him, as to everyone else in switchgear sales, reaching agreement with executives of other firms. One of the convicted G.E. vice presidents, a highly competitive personality with more than thirty years of successful work in various divisions of the company behind him, found himself advised to conform to the conspiratorial customs of the switchgear branch, even though they ran against his inclinations, "for your own sake." Each of these men could testify to the accuracy of William H. Whyte's observation that at General Electric one must cooperate with one's colleagues — "but cooperate *better* than they do."

The pressures within the corporation to abide by the industry rules of gentlemanly competition were strong. They originated in impersonal market conditions, only partly controllable by even the most powerful firms, and were sent pulsating down through the executive echelons. How high within the company they began is a matter of some controversy, but the implicated

executives themselves freely admitted that they ordered *their* subordinates to deal with competitors, or at the very least condoned their initiative. "They had no alternative if they wanted to hold the job . . ." one said, and another remarked that obviously if his subordinate hadn't gone along with price-fixing, he would have had to be replaced. The subordinate himself recalled that he objected to the practice, but succumbed out of fear that "I would be removed and somebody else would do it" — a common enough rationale in such cases, but none the weaker for that. Many lesser executives became entangled simply because they possessed the technical knowledge required for pricing agreements. The order was not presented to them in the form of an ethical proposition; they were simply told to pack up their attaché cases and attend a meeting, and it was a most exceptional individual who balked at an opportunity to exercise his specialty in behalf of his company.

Most of the men knew there was some sort of federal law against what they were doing, but like Prohibition, to which they may have compared it in moments of unease, it was a law mocked by their particular society. All of the G.E. executives, moreover, were aware that their company had an explicit policy on the subject — in the form of a company directive which was issued now and again over the years. This document explained that General Electric intended to comply strictly with the antitrust laws, that employees were not to discuss competitive information with competitors and that they were to bring all problems to the company's lawyers. "Do we believe in this company policy?" chairman Cordiner was to ask his fellow officers after the antitrust indictments were returned. The question was meant to be rhetorical, but for many years it had been a real one for General Electric's policy-implementers.

The company directive, in one form or another, was sent around in 1946, 1949, 1954 and 1959, and many executives signed it at each incarnation. It was no doubt this ritual that

then G.E. president Charles E. Wilson had in mind when he assured the country in 1949 — some months after a number of G.E. officials were found guilty of monopolizing and fixing prices of tungsten carbides: "I can positively assert that we have made it abundantly clear to all our employees that no practices . . . in any way violative of the antitrust laws are tolerated." But the gap between policy and practice remained notoriously wide. In the experience of one of the directive's signers, the printed form usually appeared only after instructions had come down through the line of command to stop contacting competitors. Following the signing ceremony, instructions would come down to resume contacts. In 1954, for example, Mr. Cordiner issued his Directive 20.5, a strengthened version of Mr. Wilson's antitrust statement. Within the year General Electric's sales dropped, and division managers found themselves pressed to stabilize prices at all costs. Directive 20.5 was occasionally supplemented by meetings at which Mr. Cordiner himself appeared and invoked it. His words were attended respectfully and then set aside as being "just another policy."

It was not until after the Justice Department made the price-fixing cases public in 1959 that 20.5 suddenly found its teeth. Now president Paxton declared to one of his punished vice presidents that there was absolutely nothing he could do "to save a man who had violated company policy 20.5." The piece of paper which had never been able to do much for the anti-trust law was put to work in behalf of management's reputation. But this was after the event. During the years that price talks were going on, the G.E. participants felt "that if the company really meant that all the employees should follow this 20.5, the company and all the officers of the company should . . . talk just as much about 20.5 at every meeting as they talk about engineering, marketing, finance, profits, labor relations and everything else. They never did that." In truth, they did not do very much. Although Directive 20.5 popped up periodically,

no one at General Electric was given responsibility for enforcing it. As president Paxton explained, by signing the form the individual executive certified that he would police himself. The directive was thus to be self-enforcing, and management carefully refrained from impinging on its inherent powers. The whole arrangement was in accord with Edmund Wilson's proposition that capitalist society is a vast system for passing the buck.

Now and then, however, some hint of illegal behavior—such as a grand jury investigation—would rouse corporate officialdom to more direct action; a company lawyer would appear in the suspect division and make inquiries, without being unpleasant about it. The line executives, loyal to a tradition of "Never tell the lawyers what's going on," would shake their heads and the lawyer would depart. When the TVA complained to the Justice Department about identical bids on electrical equipment in 1959, Mr. Cordiner sent G.E.'s trade-regulation counsel to the company's Pittsfield division. His investigation consisted mainly of saying to the assembled executives, "I assume none of you have agreed with competitors on prices." Everybody present granted that it was a reasonable assumption, and counsel went back to Schenectady.

In the fall of that year, when the first of a spectacular series of cases broke in the insulator industry, executives of other departments were called to New York for questioning by company attorneys. The men met together beforehand and decided to continue lying to the lawyers because it had been their experience that while the company felt obliged to make this sort of gesture from time to time, it was not really eager to have them expose their intra-industry conversations. In the words of one, ". . . if management really wants to know about this, then the line of command management would ask us—and they wouldn't have to ask us, they'd know anyhow."

Up until the time of the actual indictments, the most explicit accusation of price-fixing at General Electric was made in a

long handwritten letter which Mr. Cordiner received in 1956 from one of his own employees. The letter has unfortunately disappeared, but it seems that the employee charged that price collusion had been practiced for many years in the switchgear division, and he described the technique he believed was being used for communicating new prices to competitors — a color code on pricing sheets. Mr. Paxton, then an executive vice president, was put on the case and hastened to the Philadelphia plant involved. There he quickly satisfied himself that the notion that the sheets were being used to pass competitive information “was wholly a hallucination on the part of this boy.” He asked two of the executives whether they were talking to competitors and they replied, truthfully for that particular hour, that they were not. He did not press them about the past or the future. Then he brought the department managers and sales managers together and delivered a lecture on the evils of collusion. One of the managers recalls that Mr. Paxton warned that it was dangerous to talk with competitors, citing other antitrust cases and remarking: “You never can tell when one of your associates may be a nut.” (The employee who made the charges, it turned out, had some mental illness)

A number of employees were impressed by the vice president's forthright warning against collusion, but most of those who were in on the price talks interpreted the speech as being for outside consumption. It was, said one, “the same kind of speech that we always heard in public.” Orders to contact competitors, on the other hand, invariably came by word of mouth, and the distinction was not lost on the executives. Sales executives in particular were incredulous at the notion that their superiors, whom they respected as hardheaded, hard-dealing businessmen, with their feet planted firmly in industry soil, could be so innocent of so widespread and durable a way of doing business. They knew from personal experience that Mr.

Paxton was not, as he later apologized, "damn dumb" about goings-on in his company. After the cases were made public, Mr. Cordiner told his stockholders, "We were diligent in the light of the facts as we knew them." What struck his high-ranking lieutenants at the time as well as investigators afterward was that management showed so little diligence in getting more facts.

The behavior of businessmen caught between the realities of the marketplace and the rituals of corporate management was predictable. They were not, after all, unused to the adjustments which commerce requires of Sunday-school strictures. If they were victims of the organization, as some observers have concluded, they were also its beneficiaries. They may have been products of the corporation mystique, but they were also its guardians.

The three jailed G.E. executives had attained very high positions, for which they were rewarded munificently; their annual salaries, with bonuses and incentive pay, averaged out to more than \$100,000 a year. The incriminated executives of the lesser firms — lesser only in the company of G.E. and Westinghouse — were as a group not so generously paid; still, a \$30,000-a-year man ranked low among them. All were thoroughgoing, experienced, responsible businessmen; they knew, by second sense after all the years, what was what in corporation life. For them to bring up the antitrust law or Directive 20.5 when pricing problems were being discussed would have been like taking the Fourth Commandment when requested by a superior to drop by the office on a weekend. The executives' internal dilemmas varied with their view of external circumstances — one said he was literally driven to drink, in a moderate way, by the illegal proceedings — but all understood that there was a job to be done. For most of these men, the practice of meeting with competitors was so ingrained a part of the work-

ings of the industry that even with all its conspiratorial ap-purtenances, it still seemed like an ordinary business arrangement.

Those who resisted the talks did so less on grounds of their illegality or of concern over what management would say than out of some inherent discomfort about discussing company matters with the Other Side. One vice president maintained that he held out even around the time of the disastrous White Sale, until Mr. Paxton himself remonstrated, "Well, George, I see no reason in the world why you shouldn't meet with these people and talk business with them."

On the other hand, another vice president testified to his belief in Mr. Paxton's vehement opposition to price talks. This man had been indoctrinated into the conspiracy by a superior who put him on notice that "Mr. Paxton doesn't understand these things." Under orders from 570 Lexington Avenue to increase General Electric's share of the transformer market and to increase profits at the same time, he carried on in the accepted ways despite his real fear of Mr. Paxton's temper. As he advanced upward in the corporation, finally attaining a position where there was no longer any intermediary between Mr. Paxton and himself, this executive's dilemma became more pronounced. Now it was up to him to warn *his* subordinates against price talks, and he did so dutifully. But, beset by market pressures and coerced by custom, the men in his division continued to meet with competitors. Since the company was decentralized, it would have taken a certain effort to investigate and he did not inquire too closely into the matter.

He was getting a lesson in one of the secrets of management — that knowing too much can be just as uncomfortable as knowing too little. Although he had no wish to break the law, he was experienced in the dismal consequences of unfettered price competition; afflicted by irreconcilable desires, he transformed his ethical qualms into a daydream: "If . . . people can

arrive at parallelism of thought independently without discussion, without agreement, I think that is perfectly okay." Not surprisingly, his personal confusion was transmitted to his subordinates as indifference. He reflected later: "I have got to admit that I made a communications error. I didn't sell this thing to the boys well enough either, because several of them still went off the reservation even after my instructions."

The G.E. executives could not allow themselves the devil-may-care attitude toward management claimed by the Allis-Chalmers vice president who boasted, "I didn't think it was any of their business. . . . I felt that I was being held responsible for the profit or loss operations of the company, and this was my job, and I handled the job as I saw fit." But without putting the case so baldly either in word or in thought the G.E. men weighed their chiefs' pronouncements on behalf of the law, and then — some with qualms, some as a matter of course — did exactly what the Allis-Chalmers man did. Often they seemed to be acting on the principle that corporate management, like the king-priest of a primitive people, must be assumed ignorant of the facts of life lest otherwise its purity be soiled and its mystical authority undermined.

One marketing man took a stoical attitude that is more usually associated with spies than with salesmen. Clandestine activities were part of his duties, as he understood them — and he performed these duties knowing that if he were caught no one would come to his defense. Management would be as reluctant to acknowledge him as the Central Intelligence Agency was to acknowledge Francis Gary Powers. Another leading price-fixer at General Electric reportedly told one of his aides in 1951 that he had gone to the head of the company, and "I asked Mr. Cordiner not to ask me to stop doing it [meeting with competitors], and I told Mr. Cordiner that if he did not ask me to stop he would never hear anything about it." Whether the man had actually put the case to his boss in these words, or whether

he was merely offering an apocryphal anecdote for the edification of his subordinate, his phrasing showed a nice appreciation of the delicate position of the men above him. This position was in a sense acted out in 1956, during an NEMA meeting in Ontario. A G.E. general manager stayed in his cabin while six of his competitors met in another cabin several yards away. Periodically, an emissary from one of the smaller companies would walk over, brief him on what was being discussed, get his reactions and recommendations and return to the meeting. The G.E. representative was in the reassuringly ambiguous state of not being exactly in, but definitely not out either.

The Ins and the Outs

"A corporation is nothing more or less than a group of individuals who work for it," said the prominent Covington and Burling attorney who helped guide General Electric's defense in the antitrust cases. This was a handy simplification; in fact, a corporation is made up of many groups, set apart from one another by wide gulfs of position, power and vocation.

The striving to be a member of an *in*-group, that diverting aspect of the American social scene, is as natural to the corporation as it is to women's clubs, political machines and college fraternities — and it creates problems everywhere. The danger of entrusting an organization dealing in large amounts of other people's money to a small group of insiders, for example, is obvious. Insidership was at the center of the abuses which helped deprive the American Stock Exchange of its reputation in the nineteen-fifties and early 'sixties. For a decade, control of Amex was rotated among a handful of dealers or "specialists." Under their tightly held, fraternally exercised rule, dubious practices by their fellow dealers at the expense of the investing public were permitted to flourish. Our public corpo-

rations guard themselves against this particular peril, with varying effectiveness, by adorning their boards with directors of note from other fields. Amex too had its "public governors," busy persons who attended very occasional meetings of the Board. Where effective power rested may be glimpsed in a table put together by the Securities and Exchange Commission.

	Chairman of the Board	Vice-Chairman of the Board	Chairman, Com- mittee on Floor Transactions	Chairman, Committee on Finance
1952-53	Mann....	Dyer.....	Dyer	
1953-54	Mann. . .			
1954-55	Mann....		Dyer.....	
1955-56	Mann....		Dyer	
1956-57	Dyer.....	Bocklet....	{ Reilly.... } Bocklet .. } *	Mann . .
1957-58	Dyer	Bocklet....	Bocklet ..	Mann .
1958-59	Dyer.....	Reilly.....	Reilly....	Mann .
1959-60	Dyer....	Reilly.....	Reilly . .	Mann .
1960-61	Reilly....	Bocklet....	Mann....	Dyer .
1961-62	Reilly....	Bocklet ...	Mann . .	Dyer

The price-fixing executives at General Electric, although important in their own precincts, were outside the core of management power. Within it were fourteen men—including Messrs. Cordiner and Paxton, five group executives and the company's highest-status vice presidents, all of whom taken together composed the Executive Office. The significance of being at the fount of power was made dramatically clear when the name of one of the group executives, Arthur F. Vinson, was brought into the price-fixing cases.

Five lesser executives testified that Mr. Vinson was a party to their conspiracies. Four of them agreed, in particular, on details of a lunch they had had with him in Private Dining Room B at

* Reilly resigned as chairman of the Committee on Floor Transactions on May 24, 1956, and Bocklet was appointed in his place.

the Philadelphia G.E. works. One recalled asking Mr. Vinson point-blank: "Well, Art, competitors have been after us on the phone to meet with them to bring about price stabilization. Do you think we should meet with them?" According to his story, Mr. Vinson looked at him "with daggers in his eyes, as if to say why are you bringing this up with other people here? But then he says, 'Yes, yes, that's all right to meet with them but don't let it go below the general managers' level.'" A somewhat reluctant conspirator is then supposed to have asked, "You say it's all right for us to meet with competitors?" And the executive vice president, on the testimony of his four former colleagues, again said, "But don't let it go below the department general managers' level."

Arthur Vinson denied emphatically that the incident ever occurred, just as he denied ever having had an inkling of price talks during his many years in the electrical industry. His four accusers took lie detector tests which, for what they are worth, indicated that they were telling the truth. Mr. Vinson declined to submit to a lie detector test, and later declined to appear voluntarily before the Senate committee holding hearings on the affair. Justice Department investigators looked into his case, but were unable to place him in Philadelphia during the period of the purported lunch. Although its suspicions were not entirely allayed, the government dropped its indictment of the group executive, since it could not "argue convincingly to a jury of Vinson's guilt of the specific charges contained in the Bill of Particulars." (Mr. Cordiner himself was never threatened with prosecution. Russian peasants used to say in their times of affliction: "The nobles are bad, but the Tsar is good.")

The extent of Mr. Vinson's complicity in the conspiracy remains in doubt, but there is no doubt about the importance which management placed on clearing him. The company aroused suspicions of showing favoritism toward at least one other high-level executive by setting up its own three-year statute

of limitations for punishment as opposed to the federal government's five-year period, and by taking somewhat longer to fire him — despite his conviction and imprisonment — than it did to fire the four executives who had testified against Mr. Vinson. But even this man, it turned out, was expendable, whereas Arthur Vinson was the third-ranking officer of the corporation, part of the reigning court. His implication would have critically undermined General Electric's claim, which it attempted to bolster by discharging the confessed conspirators, that it had never authorized any price-fixing talks. "Law," pious old Daniel Drew is supposed to have observed, "is like a cobweb; it's made for flies and the smaller kind of insects. . . ." Management's warmth in coming to the defense of Mr. Vinson was matched only by its coolness in following up the accusations made against him by his fellow executives — or, indeed, so much as talking to the men after they were indicted. There was no question in the minds of the latter, even while Mr. Vinson was under indictment along with the rest, of who was in and who was out at General Electric.

A group that feels itself to be beleaguered — artists in Greenwich Village, ultra-right-wingers in Texas, food faddists in California — takes unto itself certain forms of language and behavior that will help set it apart from the mass of outsiders and from other insiders as well — artists of a different aesthetic persuasion, food faddists with a different prophet. The secrets shared by those who participated directly in the price conspiracy removed them to some extent from other executives in their own corporations. Like the early Freemasons, they could speak frankly only to those who took the risks and followed the rules of their calling. They shared a rarely articulated working ideology of business. They shared the *tricks*, the conspiratorially titled ("phase of the moon") techniques for allocating the market and coordinating prices, the experience of receiving

nighttime calls at home during which as much as possible was left unsaid. And, finally, they were bound by the sense of illegality and danger that has always united clandestine operations, from ten-year-olds smoking in the outhouse to revolutionaries in Dublin.

One of the participants in the meetings at which sealed-bid business was divided stressed that "no one except the members of the club" was ever to be let in on them. The club was mainly restricted to salesmen and "you were never to let the manufacturing people, the engineers and especially the lawyers know anything about it." The lawyers obviously had to be kept out because they presented the legalistic face of officialdom, and were, in some unresolved way, accomplices of the law itself. Engineers and manufacturing men were kept out because their concern for technical matters in the one case and production figures in the other might conflict with the basic objectives of sales and profits. Also, in the salesmen's eyes, the other groups tended to be square.

Several men who started with their company as engineers knew nothing of the conspiracy until they rose high enough in the organization to take on sales responsibilities as well, then suddenly found themselves involved — more or less. At Westinghouse, one sales manager reported on his price talks to his division's assistant general manager instead of to his immediate superior, who was an engineer. The latter knew that illegal talks were in progress, but did not seek further enlightenment; he preferred to avert his eyes from the conspiracy. Some of the engineer-executives contended up to the very end that they had been wholly ignorant of price collaboration involving their own departments. A Westinghouse department manager declared that he knew nothing of activities which were keeping his immediate superior and his immediate subordinate quite busy. This man also professed lack of acquaintance with a variety of other duties entrusted to him on paper — such as purchasing, ac-

counting procedures, industrial relations, and how much money his department was making or losing, not to mention the specific charges and convictions in the antitrust cases. His wide-ranging ignorance, as exhibited at a meeting of the Senate Antitrust and Monopoly Subcommittee in April, 1961, startled Senator John A. Carroll into near-abuse:

SENATOR CARROLL: Products, price-fixing. This was not a crisis which affected your plant in your managerial capacity? You said you did not know; you read about it casually. You are a stockholder. You have a bonus incentive. And still, in response to all these questions, you say you just do not know. Is that the impression you want to leave with this committee?

THE EXECUTIVE: That is right.

SENATOR CARROLL: Are you, then, just sort of a corporate eunuch that was sent down here and they bypassed you, sent reports around you and you really did not know what was going on? Is that the impression you want to leave here?

Chairman Kefauver excused the witness from answering that question, but his testimony answered it for him. Like several of his colleagues, this man wanted very much to leave the impression that he did not know what was happening outside of his technical specialty—a defense that is its own accusation. At its best, a highly technological society does not nurture Renaissance men. At its worst, it produces men who are so absorbed in their craft that as long as the turbine or the missile or the engine performs efficiently, that is enough. The use to which his machine is put belongs in another department. The manner of selling it or refusing to sell it, of advertising it, of pricing it are outside of his ken.

The specialists of course have their own in-group, where indifference to most matters is a badge worn as proudly as knowledge of a few. Their education for irresponsibility begins early. As one of the price-fixers from Allis-Chalmers explained, "I had a course in economics in school, but at an engineering school economics is not really regarded very highly by the people who

take it. Let us say that it is a fill-in course. . . . Incidentally, I think I made a 'D' in economics. . . ." The influences which our age exerts on the specialist to limit his own vision, to leave the rest of the world to others, have long troubled humanist educators; when the specialist is given broader responsibilities within his organization, the blinders that have been a professional asset may easily become a social debit. And when he uses his limitations as an excuse for failing to exercise his responsibilities, he turns into an ominous figure. The engineers were not at the heart of the price-fixing conspiracy, but the few that could not help being drawn in because of their executive roles make up a strangely pitiful and disturbing element of the affair.

In the main, this was very much a salesmen's party. Men trained in dealing with customers, adept in the maneuvers and manipulations of the marketplace, found themselves periodically in a situation that called for a certain kind of action, and most of them adapted to it without excessive discomfort. Salesmen too are specialists in their own way, skilled at navigating the fast slopes of plausibility, and are no more given to speculating on extraneous matters than are engineers. But they are more ready with explanations than engineers and less self-conscious about making them; such are the gifts of their profession.

A sales manager of medium turbines, for example, described his field as "a dog eat dog" business. It turned out that there were only five dogs, none of them dismembered, who enjoyed pawing one another playfully as they divided their meat. Another salesman said that "in double sincerity," he was "shocked" at hearing of the grand jury investigations, and that in his opinion, "All competitors are enemies." Under questioning, it developed that he had met in private with his foes on quite a number of occasions, though he had trouble recalling very clearly why. And still another salesman, a deeply implicated Westinghouse division manager, told the Senate committee, "I see the error of my ways. . . . I am sincerely humble and I can assure you or any-

one else that I will never do it again." He then went on, without prompting, to explain what, exactly, had "blinded" him to the law. "The motives," he said, "were to keep people employed during times of low volume in business, and that is when the majority of those meetings were held." The talkative salesman left much the impression that a speeder might leave with a motorcycle cop to whom he explains that he is rushing his pregnant wife to the hospital for an appendectomy *and* his mother is on her deathbed *and* his speedometer hasn't been registering exactly right lately either.*

It is easier to grapple with Mr. Loock, the man who doesn't like the income tax, than with a personality that dissolves and reshapes itself like old Nereus in the hands of Hercules, now fierce, now humble, now grim, now jocular, now earnest, now evasive, depending on who is asking what questions. But with distribution replacing production as the great challenge to our business society, Mr. Loock has become outdated; the new-type salesman, with his quiver of polished platitudes, is in the ascendance. A *Fortune* survey of the top executives of nine hundred major United States companies made a few years ago found that a quarter of them rose via the sales department; among the younger men the figure was closer to a third.

What personality traits initially induce a person to become a salesman and then enable him to be an effective one may be left to the psychologists. But of all the members of the corporation, he is most directly subject both to the exigencies of the marketplace and the imperatives of management. He is least able to avoid tampering with the strict truth and most experienced at glossing over unpleasantness with a grin and a euphemism. If his unavoidable compromises with honesty came

* These men, it must be remembered, were still at their old jobs when making their explanations; they were not in a position to accuse the company of pressuring them to conspire, yet they were naturally unwilling to call themselves scoundrels in public. While the engineers relied on pristine ignorance, the salesmen preferred shock, humility and high motives.

less easily to him, the strain of his work might be unbearable. The salesman is no more likely than the engineer to take time out to think through the larger consequences of a particular action — but instead of divorcing himself from the consequences as the technicians do, he is driven to decorate them.

Given the aloofness of the engineers on the one hand and the salesmen's talent for rationalization on the other, both groups operating under pressure in a cloud sent up by managerial coyness and political puffery, the ease with which an entire industry took to breaking the law becomes less than incredible.

Conflicts of Interest

Along with the forces that shunt businessmen down illegal byways of commerce go certain temptations that may direct them onto still more private paths. The so-called conflicts of interest at which they sometimes end up constitute a perennial nuisance in diverse sectors of our society — from doctors who split fees with surgeons to state highway engineers who are fêted by road contractors. On the lowest level, we have the shipping clerk who takes kickbacks from a manufacturer of cardboard boxes and the cook who has a deal simmering with a bill-padding butcher. As the status of the employee rises, his affairs naturally become more complicated. One may deduce from a given set of facts that an executive has put his corporate position to personal advantage, and one may suspect that the company has not benefited by his initiative, but it is often difficult to prove injury. Executives caught in such circumstances usually declare, with heat, that their harmless actions are being maliciously misinterpreted by persons with axes of their own to grind.

These cases crop up with fair frequency in business, but as they rarely involve outright swindle, and as those implicated are generally obscure folk — assistant heads of purchasing departments and the like — they excite little attention. A man or two is transferred or replaced and there the affair ends. For the

president of an extremely large corporation to be caught in such an indiscretion, as one was in 1960, is most unusual. (The role is virtually unprecedented.) Whether William C. Newberg, who was chief officer of the Chrysler Corporation for a few spring weeks of that year, had a predecessor or not, however, we are indebted to him. His predicament may have been unique, but the influences that brought him to it are not.

The position, briefly, was this: Mr. Newberg was discovered to have owned fifty per cent of two companies — manufacturers of hinges, door panels, armrests and other items used in automobiles — whose sole customer was Chrysler. Over a period of six years, from 1952 to 1958, the rising auto executive's sideline brought him a profit of at least \$450,000.* Would the hinge and armrest companies have done as well at Chrysler without the good offices of this high officer? Were other suppliers discriminated against? Did Chrysler shareholders lose money while Mr. Newberg was making it? Did Chrysler employees lose work because of the reliance on outside suppliers? These questions did not count for much in the general view — less even than proof that prices had actually been raised counted in the anti-trust convictions.

The opinion of most businessmen seemed to be that whereas the behavior of the electrical industry's executives was not unethical though it was illegal, the behavior of Mr. Newberg, though not illegal, was less than ethical. His outside interests were so heavy, his companies so dependent on Chrysler, that he stood convicted without clear evidence of favoritism. Even if he did not actively help the supplier firms, he had shown a critical lack of judgment in subjecting himself to such temptation — and poor judgment is an ethical infirmity. Dealing with a conflict of interest case in 1939, the Supreme Court of Delaware observed that "a profound knowledge of human characteristics

* A review of the Newberg affair appeared in the November, 1960, issue of *Fortune* — "Behind the Conflict at Chrysler."

and motives" demands that "there shall be no conflict between duty and self-interest" in the career of a corporate officer lest it interfere with his loyalty to the corporation. The conflict alone is enough to compromise him. When a married man enters a hotel room at midnight with a lady who is not his wife and he does not reappear until noon the following day, all experience drives one to the same conclusion. Most men, knowing this, do not take other women to hotel rooms unless they are planning to do what everybody who finds out about it will believe they have done, or unless they have an exceptional excuse. Such excuses are rare outside of movie comedies, and the best that Mr. Newberg could find to say was that he had cleared everything with his lawyers.

The Lures of Sociability

Mr. Newberg's partner in the supplier firms was a friend of his named Ben Stone. They lived near one another in a wealthy suburb of Detroit favored by high-level auto industry executives. Their wives met first, at a PTA meeting, when Mr. Newberg was vice president of the Dodge Division of Chrysler, and the two couples became fast friends. In May of 1952, some months after Mr. Newberg had been made president of Dodge, Ben Stone started a company called Press Products, Inc., with \$150,000 capital, and his friend Bill took a half interest — although Bill's name was not included in the papers of incorporation. Press Products sold its hinges exclusively to Chrysler, but Mr. Stone maintained staunchly after the arrangement was disclosed that "Bill Newberg didn't help me get one dollar's worth of business with Chrysler. . . . Newberg had nothing to do with approving my Chrysler contracts or with obtaining the contracts. I got my contracts on competitive bids. I never got any consideration from Chrysler except by working like hell." The company did a business of about \$2,500,000 a year, until it was dissolved in 1955, and Mr. Newberg got half the profits.

In April of 1955, according to Mr. Stone, he was persuaded by another Dodge executive to go into the business of making armrests. Thus was formed the Bonan Company. "At a party one night," Mr. Stone recalled, "I told Newberg what I was doing and said, 'Bill, if you want in, you're welcome.'" Again, his "valued friend" took an unpublicized half interest in a company whose only customer was Chrysler. This arrangement continued until at least 1958, when Bonan's assets were sold for \$250,000 and Mr. Stone became vice president of the firm in its new incarnation. Early in 1959, the name of Bonan was changed to Sango—which Mr. Stone maintains stands for "Stone Gas and Oil" but which others have suggested might as readily stand for "Stone and Newberg Gas and Oil."

Although Mr. Newberg did not flaunt his outside interests, he did not take excessive pains to conceal them, either. He and his wife held them in their own names rather than through an intermediary and his tax forms were prepared by a Chrysler accountant. The Newberg-Stone business relationship had something of the flavor of the genially informal post-PTA-meeting cup of coffee in a member's living room. "In the auto community," a reporter for *Fortune* has observed, "where auto executives and suppliers live in the same suburbs, golf together, attend the same parties and belong to the same clubs, interlocking business and personal relationships are common."* K. T. Keller, while chairman and president of Chrysler, owned a sizable amount of stock in National Automotive Fibres, Inc., his company's principal supplier of many interior trim items.

The automobile industry provides a striking example of the tendency of industrial executives to cluster together, to spend their leisure hours with their own kind of men—often with the same men with whom they work. Their social round is probably more circumscribed than that of businessmen in trade-

* See "Life in Bloomfield Hills," by Seymour Freedgood, *Fortune*, July, 1961.

crazy seventeenth-century Holland, where, Descartes wrote, "whoever has nothing to do with business and trade may enjoy freedom but is completely disregarded." In the Bloomfield Hills suburb of Detroit live well over half of the one hundred top officers of the Big Three car manufacturers, along with the heads of the major supplier firms and Detroit's banking, advertising and insurance elite, most of whom are in one way or another involved with and indebted to the automobile makers.

Partly it is affluence that brings them together; the median income of Bloomfield Hills households is around \$50,000 a year — and having a great deal of money puts almost as severe restrictions on a family's social adventures as having too little. But even if there were many other \$50,000 communities to choose among, these men would certainly continue to seek out one another. For only one of themselves can fully appreciate the lifetime commitment that all have made (William Newberg had been with Chrysler for twenty-seven of his forty-nine years when he was obliged to resign), their sixty-hour weeks, not counting the conventions, the business luncheons, the frequent emergencies, and all the harsh tensions, the unequaled fascinations, the deep satisfactions of their work.

The specialized schools from which so many of them come do nothing to broaden a young man's range, and the demands of the corporation leave them little time or energy to seek out fresh interests aside from some trivial, relaxing hobby. As impatient of social folderol as of "pointless" conversation, they are poor time-spenders, uncomfortable with leisure, most at home among men with similar disabilities. Like caricatures of Robert Frost's ideal, they have united their avocation and their vocation only to narrow their area of serious living to the office. In addition to the know-how and the gossip of their trade, which bring members of every profession together in off-hours, they share the special insecurities of life in the large corporation —

the years of moving from plant to plant as they make their way upward, the success which is palpable enough but never final, the growing middle-aged disquiet over the prospect of a retirement that must cut them off from all that has sustained them for decades and leave them to their own untried resources.

So they stay together, for stimulation, for pleasure, for reassurance, and become involved in personal relations that are never quite separate from business relations. Informal late-night get-togethers of the electrical industry executives came to be normal postscripts to their official conventions, those popular American interludes where fun and business are so hilariously mixed. And "when you have a social meeting with businessmen in the same line of business," one of the attending executives commented matter-of-factly, "they are going to discuss the business, prices and all." Industries centered in a single city — particularly so provincial a city as Detroit — or those made up of close-knit groups like the electrical equipment manufacturers, can breed an insidious camaraderie: competitors become collaborators; suppliers become partners; talk of business dominates every party and the easy amiability of the party may at any time infiltrate business. How, in such a situation, is one to refuse to do a friend a special favor, give him a valuable tip, let him in on a good thing?

But the friendships that thrive in the now rich, now rocky soil of the marketplace are rarely hearty enough to stand upright against the harsher winds of commerce or sudden drops in the temperature. At the same time that they are enriched by common skills, concerns and anxieties, they are eaten at by cankers of self-interest. Within the corporation itself, this is inescapable. Much as it may wish to encourage company solidarity by seeing to it that executives' wives and children play together at appointed country clubs, corporate management would not, even if it could, do anything to discourage a fellow's drive to get ahead. The same men who today lock arms on the

company outing will tomorrow be elbowing one another for advancement. The organization that made them fast friends may as easily make them seething enemies.

William Newberg and his boss, former Chrysler president and chairman Lester Lum ("Tex") Colbert, met at a Dodge aircraft engine plant in Chicago during World War II and became intimate associates. As Tex Colbert ascended the management ladder with the encouragement of Walter P. Chrysler, he drew Bill Newberg — "his buddy outside the office for twenty years," according to *Business Week* — up after him. It was a striking example of the value of sheer compatibility for getting ahead in the corporation hierarchy. Within the industry, the men were considered as close as two executives can be. Mr. Newberg's sense of security, of in-ness with the jovial head of the company, has been suggested as one reason why he did not bother to cover his outside-business tracks better. When the Colberts' son Nicholas was eighteen years old, Mrs. Colbert mentioned to her friend Mrs. Newberg that he was in want of a summer job, and the boy ended up as a laborer at one of the Newberg-Stone firms that was to bring William Newberg to grief.

The ready congenialities of business life in this country, particularly in our largest enterprises, tend to conceal the rivalries and animosities, the never-quiescent play of power natural to any field where men compete seriously for grimly serious objectives. Perhaps too, they have a way of softening principle, of clouding with the warm breath of friendship what might otherwise be a clear-cut choice. And they breed a sense of security that is mainly illusion. It cannot withstand a company crisis. When it came to the decision of how to handle the G.E. conspirators, an important executive who had considered himself a good friend of president Paxton was offered a salary cut of forty per cent, an end to his vice presidency and an assignment which would have kept him out of the country for six to nine

months at a time. He resigned. And Bill Newberg, forced to depart from Chrysler without ceremony, had to clean out his desk under the eye of a company lawyer. The friendship that was nourished by business withered under the strains of business. It dried up and flamed angrily. Six months after he had been removed from the presidency, William Newberg was loudly charging the top executives of Chrysler, his old comrades, with "misconduct, maladministration, incompetence, waste, neglect, breaches of duty and self-dealing . . ." and accusing Tex Colbert in particular, his chum and mentor for twenty years, of using him as a scapegoat, conspiring to get rid of him before he came forward to expose the whole mess.

Perhaps Mr. Newberg would not have been deterred from his side activities even if there had been a more formal relationship between him and Mr. Colbert — but perhaps if they had not been *such* good friends he might have been able to keep the hard facts of corporation life in sharper focus. There is a lesson to be learned from the vice president at General Electric who played golf with president Paxton only when he had to, since the latter was not very good at golf — and "I don't know, he might suspect us playing too much." Fifty years ago Mr. Newberg would probably not have suffered from this kind of problem; the lines between the Number One and the Number Two men were not so smudged by amiability. There was no lack of corruption, yet there was greater propriety.

But if, fifty years ago, William Newberg might have taken fewer liberties — or perhaps they would merely have been different ones — L. L. Colbert might have been able to show leniency to an old friend in a dark hour. This was their personal tragedy. At the same time that the kindly influence of Human Relations has been smoothing out some of the rougher aspects of corporation life, the public character of the corporation has become more pronounced, its machinery more implacable; high executives are now compelled to act always with an eye to the

headlines, even when the impulses of friendship may move them in another direction.

When crisis strikes, all the good fellowship and all the theories of the personnel office, whether humanistic or simply manipulative, get laid aside. Then we are witnesses to the validity of Reinhold Niebuhr's observation that "the group is more arrogant, hypocritical, self-centered and more ruthless in the pursuit of its ends than the individual." If charity seems politic then Westinghouse will be charitable. If punishment is part of the corporate defense then General Electric will go back on its promises and punish. In Mr. Newberg's case there was no choice; he could not plead innocent as General Electric's Arthur Vinson had. His friendship with Tex Colbert had become a matter of notoriety and could only work against him. In that hard moment of their lives, both men may have found a special, personal meaning in Woodrow Wilson's belief that "The truth is, we are all caught in a great economic system which is heartless." They learned what they surely must have known already, that management will defend its own as long as it can, but once its position is seriously threatened, then, like some primitive thing, it has no ear for repentance and no facility for mercy.

Wheeling and Dealing

"It is a great pity," wrote Casanova, "that because of either the air, the water or the wine — for men of science have not made up their minds on the subject — persons who live in Bologna are subject to a slight itch. The Bolognese, however, far from finding this unpleasant, seem to think it an advantage; it gives them the pleasure of scratching themselves."

The itch that occupies our businessmen is the hope of making a large amount of money in a short time and keeping a lot of it. It is an ancient affliction, which has taken on fresh forms

in reaction to our income-tax laws, just as some physical diseases have adapted themselves to modern antibiotics. Mere salary, no matter how ample, provides no immunization. A \$150,000-a-year executive told *Fortune* that if he died on the day he retired, his family would be left with only two million dollars more or less after taxes, which meant that his children would have to go to work if they hoped to maintain the standard of living he had set for them. "I suppose what I should have done," he mused troubledly, "was to go into business myself, then sold it and realized a capital gain. That's the only way to make important money nowadays."

After-hours talk among businessmen would falter were it not for tales of killings in the stock market, of enormous capital gains and real estate coups; they dote on nuances of novel profit-sharing schemes, the latest trick for beating the inheritance tax, a story of how somebody made a pile by buying up a failing enterprise only to lose it all back when the concern turned devilishly successful. Fabled prodigies of profit abound in all enterprises and feed dreams of speculative glories.

Just two months after William Newberg departed Chrysler, for example, a case of wondrous good fortune came to light which must have sparked imaginations all over Detroit. It seemed that in 1956, Charles E. Wilson, former president of General Motors and former Secretary of Defense, and his son sold adjoining parcels of land to the Chrysler Corporation for a proposed engineering center. The Wilsons received \$1,825,500. The estates, located in a rural area north of Detroit, had not been in the family very long. The senior Mr. Wilson had bought his lot in 1953 "to be next door" to his son Edward, who had bought his the year before. Altogether, the land had cost them \$490,000. Their combined profit for the three or four years: \$1,335,500. In August, 1960, when the deal was first reported in the press, Chrysler still had no plans for building its engineer-

ing center in the foreseeable future. The part played by the Wilsons was explained by a corporation spokesman as "just a coincidence."

All men pause over such coincidences, but high-salaried men do so with particular poignancy. They can take personal advantage of few of the tax loopholes available to the smallest businessman, yet in the milieu where they operate, the loopholes are never long out of mind. (In their time of greatest trouble, the convicted electrical industry executives did have the satisfaction of learning that although their fines would not be tax-deductible—even though their crimes had been committed in the course of business—their lawyers' fees probably would be.) To an extraordinary degree today, tax considerations shape corporate policy. Yet the money-saving arrangements which executives are encouraged to initiate for their companies are barred to them as individuals. Even with all the schemes the corporation has evolved for diverting its revenues from the government to its high-level employees—annuities, deferred pay and stock options, beneficent retirement plans, innumerable fringe benefits and virtually unlimited expense accounts—many of the executives still feel frustrated when it comes to hard cash. It is not greed that drives them; they are neither wastrels nor misers. But despite their extremely high salaries (Mr. Newberg was earning \$125,000, not counting extras, before he was made president) they remain always employees, beset with the same species of insecurity that has historically plagued the propertyless man in America. It is no sign of disloyalty to their company for these men occasionally to show initiative in their own behalf; it would be strange if they did not. Their goals, after all, are honest, sober ones, which they share with each other, with the company itself and, indeed, with most of the nation.

For just how enterprising executives can be, given half a chance, we may turn to the example of Carroll M. Shanks, for-

mer president of the Prudential Insurance Company of America. In 1960, Mr. Shanks mentioned to his friend Owen Cheatham, chairman of the Georgia-Pacific Company, the nation's largest producer of plywood and a heavy Prudential borrower, that he "was looking for a deal where I could make a good capital gain, because I take such a plastering from taxes on my \$250,000 salary." Owen Cheatham sympathized, and one day that May they came to an arrangement whereby Mr. Shanks, who incidentally sat on the board of Georgia-Pacific, would buy some timberland and immediately sell the timber on it to the plywood company. By putting in little money of his own, at no risk to speak of, for the five years the contract was in force Mr. Shanks expected to save through capital gains, timber depletion allowances and a whopping write-off for interest payments to the bank that was financing him, an estimated \$400,000 in taxes.

Before resigning from Prudential to try to live on his retirement pay of \$100,000 a year, Mr. Shanks, who had served the country's second largest insurance company long and brilliantly, declared that he saw "not the slightest violation of ethics" in his interrupted plan. In a letter to the New Jersey Commissioner of Banking and Insurance, he wrote that his deal was "the kind of transaction in which men in high-salary brackets can gain a reasonable amount of financial independence," and was entered into "frequently" by leading industrialists. To paraphrase Polybius's comment on Carthage, it often appears that in America nothing which results in avoiding taxes is regarded as disgraceful. In his righteous need, it did not occur to Mr. Shanks that his participation in a deal concocted for the single purpose of netting him \$400,000 might be interpreted not merely as an abuse of his important position as far as Prudential and Georgia-Pacific were concerned, but as a frank effort to deprive the government (albeit by legal means) of its lawful revenues.

Mr. Shanks's forthright dollars-and-cents morality appeared in the Newberg case as well. Neither Mr. Newberg nor Mr. Stone showed any sensitivity to the ticklish aspects of their relationship. According to one report, the thing that mainly affronted the late partners about the whole affair was that somebody had told on them. Mr. Stone maintained testily to the very end that he had saved the company "millions of dollars," and Bill Newberg adopted the hayseed pose, reducing the issue to the problem of finding another job. "Golly, I started out as a farmer and I know how to scratch for a living. I'll get along all right."

How to behave ethically in business can be a complicated matter — more complicated than getting along all right — and our executives prefer to leave it alone. It is easier to identify right and wrong with legal and illegal, and ship any outstanding issues to their attorneys via the interoffice mail. This is understandable. Businessmen lose enough sleep over practical, down-to-earth problems which at least admit of a solution without being kept awake nights by speculative conundrums. Moreover, an unnaturally developed sensitivity to ethical concerns is not merely unproductive — it has a damnable way of colliding with the requirements of the market. The successful business executive's attention is sharply focused on job and on money. Bill Newberg's career was consistent unto itself, and not untypical. It started off with him working his way through the University of Washington by buying used cars from a Seattle Plymouth dealer, embellishing them with chrome, and reselling them at a good profit.

In April, 1960, when L. L. Colbert stepped down and left the presidency of Chrysler to William Newberg, who had been chafing a bit over the delay, the outgoing president spoke of the new management team coming in and said, "I want them to make some money — for the company and for themselves." The sentiment was generous and reasonable, and the way in which Mr. Newberg strove to make it a reality can be taken as a tribute

to the spirit of the marketplace, a testimonial to the training of the corporation and an expression of his own normal instincts.

The Pose of Indignation

The Chrysler Corporation's reaction to its conflict-of-interest difficulties calls to mind the broken-down jalopy in the low comedy routine. The car remains motionless, obdurate to all tender technical ministrations until the exasperated owner gives it an energetic kick in the middle, and then all at once it bursts into furious life, with roars, whirrs, squeaks, clacks and gyrations of every kind. An onlooker is not certain whether the demon of the machine is trying to make up with this commotion for its hours of stillness or whether it just wants to scare the wits out of whoever aroused it.

Rumors had abounded for years in Detroit of Chrysler executives who granted orders to companies in which they had a financial interest. They were linked with toolmakers, upholstery companies, a tire maker, a plastics firm and an electrical products manufacturer. In the opinion of *Business Week*, the "heritage at Chrysler of executive relationships has been an open invitation to some men to get in on an insured market," and one of William Newberg's earliest actions during his brief tenure as president was to warn his executives that he was bent on cutting costs without regard for "long-established personal relationships. . . ."

For two years before the Newberg-Stone denouement, a hot-tempered Chrysler stockholder named Sol A. Dann had been making public charges of gross malfeasance among the company's officials and demanding a thorough housecleaning of management by management. Mr. Dann, a Detroit lawyer specializing in accident cases, seems to have been constitutionally as well as professionally given to harassing large bodies and standing up for small ones. On the one hand, he sued both

General Motors and Studebaker-Packard, while on the other, he defended the Irgun, Irish rebels and U.S. Bondholders during the depression. But he had a very particular reason for his irritation over affairs at Chrysler. As a holder of 5100 shares of stock, for which he had paid about \$350,000, he owned more of the company than most of its officers, and was understandably perturbed over its lusterless showing in the late 'fifties. Chrysler had shown no profits for three years in a row, and by 1960 his stock was worth little more than \$200,000. At the 1960 annual meeting, Mr. Dann — whose facts did not always match his vituperative range — accused the Chrysler directors of “nepotism . . . favoritism . . . payola . . . reckless disregard for the rights of stockholders . . . bribery . . . misconduct . . . perpetuation of themselves in office . . .”

Mr. Colbert's response on this occasion was distinguished more by careful phrasing than by candor. He said: “In view of Mr. Dann's statements, I would like to tell this meeting that I do not now own, nor have I ever owned, any interest by way of stockholdings or otherwise in any of our vendors or suppliers of materials, and furthermore, no member of my family owns any interest by way of stockholdings or otherwise in any of our vendors or suppliers of materials. To the best of my knowledge, none of the officers of this company or any members of their families own any interest by way of stockholdings or otherwise in any of our vendors or suppliers of materials that is in any way improper.”

Since no one inquired as to why he did not absolve his family or his fellow officers of past as well as present connections with suppliers, Mr. Colbert did not amplify. He did not tell the meeting that having recently had intimations of a move against him by a group of influential persons, he had called together the company's top executives at eleven o'clock one morning and told them to sell any supplier stock they might have by five that afternoon. Nor did he tell the assembled shareholders that

his wife Daisy had only a few weeks before disposed of 444 shares of stock in the Dura Corporation, a Chrysler supplier. It was not until the company's outside directors put pressure on Mr. Colbert that Chrysler's lawyers and auditors undertook the investigation which was so to discomfit Bill Newberg.

Having been rudely kicked into action, all the gears of management began turning at high speed. Conflict-of-interest charges against Chrysler executives flowed unstintingly from Mr. Dann's office, and Chrysler's law firm, Kelley, Drye, Newhall and Maginnes, along with its auditing firm, Touche, Ross, Bailey and Smart, set to work, with considerable fanfare, to investigate the doings of the company's thirty-six most important operations officials. Thirty-five lawyers and accountants participated in what was described as "one of the most bizarre management activities that anyone remembers" and the inquiry, which the officials all reportedly responded to with enthusiasm, cost Chrysler more than \$200,000. Since it was anticipated that Mr. Dann would shout "Whitewash!" no matter what the results — and point out that Mr. Colbert had started his career with the Kelley firm and been introduced to Chrysler by Nicholas Kelley, Sr., himself — outside counsel was brought in to determine "the scope and adequacy" of the investigation. The firm chosen was Dewey, Ballantine, Lashly, Palmer and Wood.

It is Thomas E. Dewey's fate, and perhaps his fortune, to be remembered by the nation not as the governor of New York nor as twice nominee for the Presidency of the United States, but as the D.A. who sent Louis Lepke Buchalter to the electric chair. Now he was called in by Chrysler, not precisely to investigate but to share with the company's own law firm some part of his racket-busting aura. One could detect in this unusual arrangement the thinking of Ivy Lee and Ross, Chrysler's public relations advisers. The investigation went as Mr. Dann might have predicted, and as well as anyone on management side could have hoped. A couple of lesser employees — a \$750-a-month purchas-

ing agent and a division marketing man — were ejected from the company; some plant managers were shifted; and Jack W. Minor, director of marketing for Plymouth, was ordered to sign his resignation because he had received “sales commissions of approximately \$20,000 on Chrysler business.” (“I certainly welcome this investigation,” said Mr. Minor, speaking very much like an executive, before he was ousted.) The corporate gods demanded this sacrifice despite the fact that Mr. Minor’s superiors knew all along that he had interests in outside companies, and that he had gotten rid of them as soon as he was ordered to. As for the thirty-six men of top management, the corporation’s lawyers found no evidence to support conflict-of-interest charges in general or Mr. Dann’s charges in particular, and the Dewey firm declared itself satisfied with the investigation in a lengthy report.

The special counsel assured Chrysler’s stockholders that there was no reason to believe that these men had done anything to violate “high moral standards in business and . . . the practicalities of the world in which we live.” The practicalities were these: Christmas gift-giving is a common business practice, with some companies distributing \$100,000 worth of presents every December; many companies entertain their customers at resorts, and Chrysler executives were not above enjoying themselves on their suppliers now and again; and since almost every major corporation in the country is either a supplier or a potential supplier of Chrysler, it would be only normal for any well-to-do businessman to have stock in one or more of them.

The questions the investigators set themselves in cases where an executive was found to own stock in a vendor company were quantitative — how much of the supplier’s business was done with Chrysler, and how much stock the man owned. In one instance, an executive reported that he held one hundred shares in a firm whose sales to Chrysler came to more than twenty per cent of its net business. The investigators calculated that the

executive's share of the outside company's profits from Chrysler came to \$17.60 a year. Since his annual salary was \$70,000, the Dewey firm concluded, "We hardly think that \$17.60 would be likely to influence his judgment on Chrysler purchases." Conceivably, of course, this man might not have computed in exactly this way, or he might have been corrupted by \$17.60, just as Mr. Newberg might have remained unmoved by \$450,000. But if one accepts the facts as presented, counsel's assumption seems reasonable.

Mr. Dann did not accept the facts, and stepped forth, as expected, to call the Dewey report "a whitewash of a whitewash." Less heated observers remarked that it seemed all right as far as it went, but after the heavy publicity was cleared away, the report had covered only thirty-six individuals. Yet they were the men management had to be concerned about for its own sake, just as General Electric had to be concerned about Arthur Vinson. Within a year after Mr. Dewey's seals of purity had been distributed, eight vice presidents, including a number whom Mr. Dann had criticized for outside interests, had quietly left the company. Chairman Colbert himself resigned "for the good of the corporation" and was removed to the relatively peaceful post of chairman of the Chrysler Corporation of Canada. (With six years to go before retirement, fifty-nine-year-old president Paxton resigned from General Electric "because of ill health" soon after the price-fixing convictions.)

The finale to this show would have done an Olsen and Johnson extravaganza proud. While on the sidelines General Motors and Ford performed their own rites of purification, the center of the stage was taken up by a host of lawyers juggling charges and countercharges. Sol Dann had once warned L. L. Colbert that he would "have more suits on his hands than Hart, Schaffner & Marx" if he didn't resign. Now, Mr. Dann was suing Chrysler and Chrysler was suing Mr. Dann. Chrysler was suing Messrs. Stone and Minor and Mr. Minor was suing Chrysler. Mr. New-

berg was suing Chrysler as well as his old friend Tex Colbert personally, and Chrysler was suing Mr. Newberg. (By this time, seven months after his involuntary resignation, Mr. Newberg had apparently acquired some public relations counseling of his own. In answer to why he had waited so long to bring suit, he explained, "My wife and I had to do a lot of thinking and we honestly sought God's guidance . . . it's not a legacy I want to leave to our kids.")

The Justice Department appeared late in the proceedings and filed an antitrust suit against Chrysler for trying to frighten its dealers into dropping Studebaker-Lark franchises if they wanted to handle the new Valiant line. Now and then the United Auto Workers, like those irrelevant characters in funny trousers who used to appear at odd moments on burlesque stages, do a turn and depart, poked in to offer the company its assistance in probing executive misconduct. (In the antitrust cases, Electrical Workers president James B. Carey sent seven sets of Monopoly to the Pennsylvania jail where the seven executives were housed.) Chrysler itself adopted a set of rules to govern relations between employers and suppliers and Juan Trippe, head of Pan American Airways and a Chrysler director, disposed, without ceremony, of 6800 shares of Chrysler stock, which left him with just 200 shares to his name.

In the midst of all the hubbub, Chrysler held its 1961 annual meeting, which Mr. Colbert invoked with the comment, "The year was an unusual one." The meeting, enlivened by heckling from an uninhibited band of dissidents ("Who are you trying to fool, Mr. Colbert? You've got your head in the sand and your flanks exposed to attack. You do all your planning with one hand on the panic button and the other in the till"), ended on the customary note of support for management; the official slate of directors won by 7,029,955 votes to the runner-up's 46,785. Over at Westinghouse, a proposal to oust the company's three top executives in the wake of the antitrust convictions was de-

feated by a vote of 27,510,498 to 65,796, while General Electric's assembled shareholders hooted down a proposal for an impartial investigation of management and then stood up to cheer their chairman for a full minute in his hour of affliction.

Power and Responsibility

The overriding concern of management in both the antitrust and conflict-of-interest cases was for what is nowadays called their corporate image: Their late flurries of activity were preceded by years of looking the other way; their brave manifestoes bore the stamp of public relations, not business realities. In each case management played heavily on two points: First, the corporation itself was unsullied; if the top officials bore any responsibility at all, it was that in their innocence they had been unable to believe that fellow executives could do wrong. And, second, America's economic system, as it exists in their mythology, is sound. Said General Electric's Arthur Vinson of his industry's price-fixing: "This doesn't mean that the system is all wrong. . . . It only means we have got to find some way to teach another fifteen or twenty or one hundred, or whatever it is today, that this isn't the right thing to do. . . ."

In neither the electrical nor the automotive case can blame be laid exclusively to the particular companies involved. The antitrust laws, heralded at their every appearance by cries of Free Enterprise, are received by big business in general like some rosy-cheeked rubes sent to keep order in the busy city — they are paid lavish compliments and grudging attention. As for conflicts of interest, these will continue to occur, though not often on such a high level, as long as men are placed in positions where their scruples are matched by their temptations; Chrysler's failings in no wise pardon Mr. Newberg's bad judgment. But even if we give Mr. Cordiner, Mr. Vinson, Mr. Colbert and their associates in management full benefit of the doubt they demanded, even if we force ourselves to assume that they were

ignorant of what so many around them knew, their behavior is not reassuring. Ignorance, or the feigning of it, is a dangerous shortcoming in the mighty, and these men are mighty almost in spite of themselves.

What Justice Brandeis viewed as the "curse of bigness" has descended upon American business with a vengeance. Impressive figures crowd the financial pages. More than a thousand major mergers took place between 1950 and 1960, and a few hundred corporations today control well over two-thirds of the nation's industry, dominating transportation, manufacturing, mining and utilities. According to a recent census survey, forty per cent of the millions of men and women employed in manufacturing work for just 361 firms.

These giants of private enterprise — among whom a company like American Motors, with its billion-dollar-a-year income, stands as a symbol of small business — have understandably given local governments severe feelings of inferiority. The lawyers for our largest municipalities, faced in 1961 with the need to sue the electrical companies for damages resulting from their price-fixing, began to behave like the skinny kids on the block trying shakily to bolster one another's courage as the big bully approaches. New York City's counsel warned municipal officials that "the skill, resources and abilities of the companies cannot be overestimated," and he called for a united front because "no one city, even the size of New York, can compete equally with our adversaries." Philadelphia's solicitor reminded his comrades unhappily that "We are in the big leagues: If this is a war of attrition, they are in a good position to wear us down." (One can sympathize with their feelings. If the astonishing profits of a handful of missile builders are any indication, the entire U.S. military establishment is not equal to companies like Western Electric and Douglas Aircraft when it comes to negotiating contracts.)

Viewing the growth of capitalism before it had grown nearly

so big, R. H. Tawney wrote, "So merciless is the tyranny of economic appetites, so prone to self-aggrandizement the empire of economic interests, that a doctrine which confines them to their proper sphere, as the servant, not the master of civilization, may reasonably be regarded as among the pregnant *! isms* which are a permanent element in any sane philosophy." Although his advice has not been ignored in this country, the corporation has prospered, and its immense economic power has brought it power of other kinds, which it has shown itself to be neither equipped nor at all eager to exercise. But exercised it shall be nonetheless.

A company like General Electric dominates the lives of the hundreds of thousands of people who work for it and the thousands of companies which buy from it and sell to it. Its influence on the prosperity of the communities where it chooses to settle and spread largesse is immeasurable. In Pittsfield, Massachusetts, for example, 6000 of the city's 57,000 inhabitants work in the G.E. Transformer Division. General Electric is emphatically proud of its economic powers. At the end of 1954, its *Employee Relations Newsletter* announced that the business it brought into its communities was "estimated to be the major support of 40,000 retail establishments; to maintain 1,200 schools with 21,600 teachers; to supply opportunities for 28,800 professional men outside General Electric; to supply livelihoods to over 1,000,000 people outside our employees and their families; to support the selling and servicing of 540,000 automobiles a year; to mean \$240 million revenue for the railroad traffic in and out of the communities; to create a taxable valuation of \$3 billion; to give markets of \$420 million to farm products, and create an annual expenditure in trade in our communities of \$1,800 million. . . ." After citing this passage in his book *Men Who Make Us Rich*, William Ziegler noted that in 1962 General Electric's revenues were approaching three times the 1954 figure, which would bring the number of Americans,

other than G.E. employees, who depend on the company for their livelihoods to around 2,500,000.

Before determining which towns to bless with its presence, General Electric explains: "We wish to see whether we can expect understanding, respect and fair treatment where we deserve it from the community's public servants in such areas as courts, taxes and law enforcement. This is a matter of growing importance as a result of the way so many communities practice as 'good politics' the strangling of the industrial goose that lays the golden egg of local prosperity — by such things as discriminatory taxation, unwise zoning or building ordinances. . . . We watch to see if the thought leaders and other representatives in the community speak well of the deserving employers there or consider them whipping posts." Far from wanting to strangle geese or whip posts, towns and states vie with one another in offering tax concessions, unorganized labor and good fishing to prospective corporate settlers, and in time of layoffs, they will also come through with letters to Congressmen, particularly if the company happens to be a defense contractor. Senator Kefauver reported, in the wake of the price-fixing convictions, that teams from the electrical companies were "going around suggesting plants be located here and there" in an effort to discourage damage suits by municipalities.

Not so sinister, but of underestimated importance, the design of a company's office and factory buildings can add to a city's adornments or its blight. The large advertiser's influence on television, magazines and newspapers is pervasive, if not politically effective. The direction that any of the oligopolic enterprises decides to take in research, the products it chooses to promote and those it chooses to hold back, the prices it sets, the quality and durability of its output — all of these things define, in given areas, the way Americans will live. The money the large corporation donates to worthy causes, such as education, may change the nature of the causes themselves — induc-

ing colleges, in some cases, to emphasize studies that will seem specially useful to the pragmatic donor. By its overseas interests, its investments, sales and relationships abroad, the corporation becomes one of the unofficial makers of U.S. foreign policy. And as an incident of its legitimate function of selling goods and services, the corporation continually cajoles the society into accepting its own values, its undeviating preoccupation with material possessions and the getting of them. (In the middle of *Fortune* magazine's excellent report on "The Incredible Electrical Conspiracy," one came on a full-page four-color advertisement for General Motors, with this message in dainty type: "A new Cadillac is one of the few material possessions for which there is no completely acceptable substitute.")

Taken altogether, this is a description of a political creature, a private government whose influence on the national character and destiny is inestimable. Its power has been compared to the power of the Church in the Middle Ages — but it is exercised far less consciously. In Adolf Berle's words, the corporation, lying today "in that no-man's land where economics, law and political science converge," has been compelled to become the "conscience-carrier of Twentieth Century American Society."

Who, more specifically, is carrying this conscience of ours? Despite the attractive brochures that stockholders receive periodically and the annual meetings at which votes are counted, these private governments have as much in common with democracy as Fidel Castro's. A convincing case can be made that democracy is less appropriate to General Electric than to Cuba, but the fact remains that corporate control, along with the power that accrues to it, is effectively concentrated in the hands of small groups of men, their managements. The actual owners of the property are outsiders; if they have the vigor and persistence of a Sol Dann, they may occasionally embarrass management into making certain changes, but they will gen-

erally be looked on for their pains as rather unpleasant types who are not playing the game; they can count on being booed when they rise with their criticisms at annual meetings, and on losing should they put forward a significant proposition. Proxy fights are expensive (it would have cost Chrysler dissidents \$500,000 to bring their case to the 84,600 people who owned the 9 million outstanding shares of Chrysler stock), and the odds are very high in favor of management.

Even if the odds were better, the great majority of stockholders harbor no ambitions to make policy. They are merely investors, with money in a number of enterprises; most of them barely know what their companies produce, many don't know their names — and as long as the dividends keep coming in and the market doesn't slump, they see no reason to inquire. Only eleven per cent of the stockholders responding to a 1948 survey by Elmo Roper indicated that they would have liked more information about the corporations they owned than they were then getting, which may be taken as a testimonial either to the companies' brochure-producers or to the stockholders' indifference. Except for this uninterested audience, which is left to the charge of a public relations director, our corporation officers must account to no one for their actions. To Harvard economist Carl Kaysen, among others, this situation does not seem satisfactory. "It is not sufficient for the business leaders to announce that they are thinking hard and wrestling earnestly with their wide responsibilities," he writes, "if, in fact, the power of unreviewed and unchecked decision remains with them, and they remain a small, self-selecting group."

But most corporation heads, far from reaching out for new powers, seem uneasy when social or ethical issues become any more real than they are in the perorations of their public addresses. (Here is L. L. Colbert ending a 1959 dinner meeting of the Texas Exes, a University of Texas alumni group: "Whether we do our part by teaching our children to have an interest in

the economic and social progress of the world or by participating directly in politics or in world trade and investment, what we do and think will have some bearing on the creation of a greater and more prosperous and more peaceful world community. And for all of us and for our children, there are few goals more worthy of our best efforts of heart and mind.") Managements of a few large companies have shown fairly convincing signs of interest in the world beyond their profit-and-loss statements, but even they, with prudence, are not eager to venture too far down an unmapped path. Henry Ford II, prominently in the vanguard of enlightened management, has said: "I do not agree that the time has come, or is likely ever to come, when a corporation should assume social or political or other non-business roles. I believe business corporations will continue to serve society best as individual companies vie to achieve long-range profitability consistent with the public interest."

Ideally, Mr. Ford may be right, and he will not want for allies in his campaign to keep big business from throwing around its weight on political and social issues. "Why should Chrysler or General Motors or anybody else know anything about creating the kind of desires that we might consider belongs to civilization?" asks Adolf Berle. But it is unrealistic for our corporation heads to imagine that while they get on with business, the other matters will stay obediently out of the way, like kiddies in the baby-sitting corner of the supermarket. As was brought home to America's steel executives with stunning force during their 1962 price-rise rebuff, in society, as in their own factories, the pushing of a single button right here can have the most spectacular results way over there. The impact of their decisions defies the foresight of even the most prodigious IBM machine.

That a few hundred men whose private fortunes are inextricably interwoven with the fortunes of their companies should

possess such influence over the rest of the nation might give us pause even if they had all been trained to assume this kind of responsibility. But their training has been narrow; the power has been thrust upon them; and they have, without ever aspiring to the role, become our social and ethical exemplars. "In economics, as in every other aspect of human behavior," Sidney Hook has pointed out, "fundamental decisions are moral decisions — informed or uninformed, wise or foolish." Yet moral decisions are the last things our executives want to be held accountable for. Like the humorously pathetic Atlas, they cannot rid themselves of the immense burden which has been loaded upon them — without, that is, giving up some of their economic power as well. When, in 1961, the American Management Association attempted to organize a meeting on business ethics, it found that it couldn't get any speakers. Thirty executives begged off, and the meeting had to be canceled. The men had sound reason for their shyness; their business, after all — like that of America — is business. On this ground have they proven themselves; beyond lies a wilderness where government officials, college professors, ministers, editorial writers and public-spirited groups of all sorts are ready to pounce on the disoriented trespasser. Such expeditions hold little promise of gain either for the men or for their companies.

Still, they must maintain a conspicuous pretense of social consciousness, lest government impinge ever further on their prerogatives. They don't want to be saddled with extra responsibilities, but on the other hand, they are reluctant to be forcibly relieved of them. When an ethical dilemma plunks itself down at the door of management for all to see, as it did to the electrical industry, and refuses to dissolve away, the corporation typically deals with it by rephrasing rules which have long since proved ineffectual and putting them forth as the stuff of education. In 1959, shortly before the antitrust cases became public, G.E. chairman Cordiner assured a Senate committee,

"As long ago as 1946 . . . [General Electric] embarked upon an educational program, a program which has been continued with undiminished vigor, designed to sharpen the sensitivity and awareness of all our people to the role and importance of the antitrust laws." This unpromising experience of more than a decade did not deter Westinghouse from undertaking a similar program in the aftermath of the latest price-fixing scandal. Westinghouse's ambitious new course for executives, president Cresap reported, was designed to cover "this whole problem of morals and ethics in business with specific reference to the antitrust laws."

The favorite way of carrying out the educational process in business is to make up and distribute an elegantly printed code of behavior. Such codes are an ancient method of conscience-purging. The Egyptian Book of the Dead contains this supplication to the god Osiris: "I knew no wrong. I did no evil thing . . . I did not diminish the grain measure. I did not diminish the span. I did not diminish the land measure. I did not load the weight of the balances. I did not deflect the index of the scales." Though such a formalized statement of guiltlessness may have been comforting to a merchant's psyche as well as gratifying to Osiris, it probably persuaded no Egyptian grain dealer to do business with a fellow simply because he recited it, or to take his eye off those scales.

Yet the custom has endured, has burgeoned. Today it is hard to find an industry that doesn't own a code of one sort or another. The National Association of Manufacturers puts out a positive-sounding, all-encompassing five-point Code of Business Practices suitable for framing. The American Institute of Accountants has its code, public relations counselors have their code and the advertising business is a veritable mine of codes of ethical behavior. One corporation president has suggested that all top management executives be administered a "Hippocratic Oath" — which presumably would raise them to the eth-

ical level of A.M.A. members. In response to the price-fixing revelations and the attendant publicity, the National Electrical Manufacturers Association, which already possessed one code, set forth a fresh code, a familiar example of the genre, which stated that an infraction of the antitrust laws — “the charter of free enterprise” — would “undermine the economic system which our corporate society has struggled to protect against the encroachments of imposed regulation.” Most of the codes, which appear magically upon need, are meant frankly to placate critics without, rather than to guide behavior within, and can be passed over as one of the less odious products of the public relations machinery. Even in those rare instances where they are meant to be taken seriously, however, they are feeble aids to respectable behavior.

The operative codes of behavior in business are never written down. They exist as what several of the electrical conspirators called “a way of life” in their industry, or as the “heritage” of executive-supplier relationships at Chrysler. The living code is an ever-shifting pattern of guidelines set by the necessities of the market, the conditions and traditions of the industry, the goals of the corporation, the aspirations of management and the nature of the executives themselves. These are complicated elements, blending economics and psychology with social attitudes; sometimes they are contradictory; often they run well beyond the businessman’s control or understanding; and the result does not lend itself to display in 12-point type.

Whatever their private beliefs and actions, the unalterable public stance of our corporation officers and directors is that commerce is *per se* an ineffably moral endeavor and that where illegality or dishonesty occurs, it is a result of the odd error, some unusual “breakdown in communications” (between top management and middle management, between business and the clergy, between advertising agencies and intellectuals), a

technical failure of supervision, a deplorable chink in the human relations program. It is especially convenient, though not always possible, to attribute each case of unpleasantness to the inferior moral training that our young people are receiving nowadays: “. . . in the places where I grew up,” said G.I.’s Arthur Vinson, “this problem [price-fixing] wasn’t there because the people thoroughly believed that the right way to make more money was to be completely competitive.”

Perhaps there is something to be said for Mr. Vinson’s point and for all the others as well, but crookedness in business is too widespread for each newsworthy exposure to be sighed away as an unfortunate incident, barely related to its environment. Attorney General Robert F. Kennedy was only restating common information when he said, “in almost every major community in the country, a number of businessmen have conspired or are conspiring in secret not only to fix prices but to make collusive deals with union officials, defraud their customers and even in some instances cheat their own government.” Four out of five executives replying to a question from the *Harvard Business Review* told of practices generally accepted in their industry which they deemed to be unethical. Yet even the most candid business spokesman finds it hard to concede the obvious — that there are factors in the very nature of business life that play hob with traditional ethics. To make the most elementary observation — for example, that our sanctified profit motive is in some way connected with price-fixing, bid-rigging, conflicts of interest, built-in obsolescence, finagling on income taxes, abuse of expense accounts, pressure on dealers and suppliers, bribes to government and union officials and the other felonies which enliven American business — is heresy in executive circles. It might open the door to subversive opinion, like that of John Maynard Keynes, that capitalism is absolutely irreligious.

The Protected Men

Despite the assorted misdeeds that can be laid to today's businessmen, they are, individually, at least as honest as their predecessors. The occasional eruption of a Billie Sol Estes notwithstanding, they are considerably more fastidious and more inhibited — and only in part because the law is not so lax as it once was, legislators not so flagrantly corruptible. Our big business executives especially have become more civilized since World War I — so noticeably so that for several decades now intelligent observers have been finding hope for greater honesty in business as the old-style individualist, crude, tough and rapacious, faded away and the new-type executive took over. The acquisitive instincts of this new, disinterested professional, it has been suggested, would become absorbed in his job, and as the old invidious distinction between public and private interest disappeared with the growth of the national corporation, the trustees who operated it would do their jobs in a dispassionate, mature, realistic way, to everyone's benefit. They would bear somewhat the same relationship to their society as the medieval steward bore to the lord of the manor.

Something like this has indeed come to pass; the executive has become a professional, and business pays much louder and more frequent deference to its social obligations than it did thirty or forty years ago. "A clear sense of responsibility to and integration with the public welfare is a prerequisite to successful business management in today's complex world," said Standard Oil of New Jersey chairman Frank W. Abrams, in a fairly typical statement. And many other prominent businessmen have emphasized management's responsibility not alone to investors, but to employees, customers, suppliers and even to the government, in a way that sometimes smacks of *noblesse oblige*. But the line between public and private interest has not vanished yet.

There is another line, however, that executives are finding ever more difficult to locate — the one between corporate interest and private interest. Rugged individualism has been transformed not into social consciousness, but into institutional allegiance, a smaller ethical progression. The professional servants of the corporation are like the seventeenth century's professional servants of the state who suddenly discovered that the state's needs could take precedence over moral commandments. The needs of today's corporation coincide no more frequently with the teachings of Christianity than did the needs of France under Richelieu, and our executives are compromised every day of their lives, if one is to judge them by their own oft-professed beliefs.

Legally and historically, the purpose of the corporation is tied to the public weal; incorporation, which has become a right, started out as a privilege, granted for some socially desirable cause such as colonizing new lands for the Crown, or building canals and turnpikes in the new country, and every corporation is still indebted to society for the favors of limited liability and perpetual succession which give it immortal life. Philosophically, the purpose of the corporation may be viewed as merely delivering optimum dividends to its stockholders, or as serving its customers, or as nothing less than national or even universal prosperity — although no board of directors could say what it is for sure or even whether it has any ultimate purpose beyond surviving. But for the executive on the line, the issue is academic. For him the purpose of the corporation, *his* purpose, is to make money and to grow. Management's view of profits may be longsighted or shortsighted, but only by forwarding its objectives with all his might will the executive find success and satisfaction for himself.

From its business-school or engineering-school start to the large pension which concludes it, the course of the executive

career works against that acquaintance with the wider world of ideas which, philosophers of all centuries have told us, is a first step toward virtue. Two hundred years ago, a businessman was likely as not to be a cultivated person, with broad interests. But succeeding generations were unable to keep up this luxury; affairs became much too complicated.

The business schools, whose popularity among aspiring executives increases yearly, concentrate naturally enough on the strategy of management and not on the life of the mind. (Engineering schools and departments may make the same claim, more forcibly. William Newberg's thesis for his engineering degree was entitled: "The Road-Testing of Low-Priced 1933 Cars." Henry Ford II gave signs of being unusual executive material as well as somewhat more secure of his future in business than most college boys when he switched from engineering to sociology during his residence at Yale.) If the simple, untutored man were as dependably pure as some of the eighteenth-century Enlighteners imagined and many television dramatists still appear to believe, then we might welcome the courses in marketing and accounting as efforts to safeguard young fellows from the corrupting breath of knowledge. However, most people now agree that ignorance has its drawbacks, that good intentions alone will not guide the traveler through the tangle of desires, pressures, laws, ambitions that obstruct the paths of commerce. Conscience, wrote Baron d'Holbach, speaks only to reflective men.

Periodically, officials within the corporations and within the leading business schools themselves voice distress over the semi-educated business leaders that are being turned out, and here and there a curriculum is adjusted. The concern is undoubtedly in earnest, but the deficiencies that trouble the educators of executives are probably indigenous to commercial life. If trade schools are poor environments for learning — even with their allotment of extra-vocational courses — it is because manage-

ment, by nature and design if not by press release, likes, wants and needs them that way. As long as the corporation is dedicated to performance and not to knowledge, that is, as long as it is in the business of making goods to make money, this will be the case.

Thorstein Veblen, the harshest critic we have had of the College of Commerce, observed: "This specialization on commerce is like other specialization in that it draws off attention and interest from other lines than those in which the specialization falls; thereby widening the candidate's field of ignorance while it intensifies his effectiveness within his specialty. The effect, as touches the community's interest in the matter, should be an enhancement of the candidate's proficiency in all the futile ways and means of salesmanship and 'conspiracy in restraint of trade,' together with a heightened incapacity and ignorance bearing on such work as is of material use." This by no means exhausted Veblen's objections to an institution which he described as "the appointed keeper of the higher business animus," and which he deemed to be unscientific, unscholarly and useless to society. Business schools have improved markedly in the half century since these charges were brought, but they still have little in common with any traditional concept of higher education. For education is a chancy thing. Astute management consultants — even those with some affection for learning — warn personnel officers tempted to seek their executives in the ranks of the educated that they run a risk of getting men who may prove disconcertingly independent of the corporation, even subversive; management may find that it has infected itself with policies and practices that it has not foreseen and would prefer to get along without. For seven years the Bell System allowed groups of its executives to spend ten months at the University of Pennsylvania's Institute for Humanistic Studies for Executives; then, in 1960, Bell decided to send no more men there, and the Institute, unable to attract

another corporate sponsor, perished. A few less ambitious plans survive but most of the Executive Development programs given by colleges stress subjects like "Quantitative Tools of Managerial Decision."

From the employee's point of view, being educated may prove an impediment to his job performance as well as a nuisance to his employer. An overly speculative mind of the sort stimulated by reading philosophy can be a severe professional hindrance to the junior executive, since the most thoughtful persons do not as a rule make the most dynamic operators. Describing the way practicing executives react to matters that come before them, sociologist W. Lloyd Warner writes: "They quickly structure what they see; events are not isolated and separate, but viewed as patterned and meaningful in terms of the decisions immediately present. . . . Such men can make decisions without being overcome by the anxiety of those who see too many alternatives of equal worth or equal ambiguity to permit action." That is not a description of a speculative mind.

The up-and-coming executive learns early that when he comes to a crossroads, he must choose one path — probably the one most traveled by — and choose it without delay, since problems will not wait on him. A variety of imagination, Henry James remarked, can prove fatal in the world of affairs, and the executive learns to muffle whatever vagrant impulses may bestir his soul. His home library, like those in the suburbs where the auto company vice presidents cluster, is more likely to consist of magazines and manuals than books. Such a man, barely acquainted with the world of ideas and finding himself in an industry where price-fixing is the rule or in a corporation where arrangements with suppliers are not uncommon, will tend to see these issues as he sees most others, as problems in tactics, not ethics. This makes sense, for a commander directing a battle, as Clausewitz cautioned, had better not be distracted by the beauties of the landscape.

In the classic view of craftsmanship, a man expressed his personality through his work. For the corporation executive, this is turned about; the work shapes and limits his personality. He has only partial control over a small section of an enormous operation. When the final product appears, it is the result of a multitude of influences; the individual's hand may be discerned dimly if at all. Nonetheless, the executive gives himself as completely to his stringently delimited team duties as any ideally conceived nineteenth-century craftsman or artist ever did to a creation of his very own. Unlike the assembly-line worker, who merely exchanges eight hours of his life for each day's pay, executives like their jobs. They like them very much. The head of a big auto division was speaking for his peers in most industries when he confided to *Fortune*: "Any other line of work would bore me. Here, each day is crammed with excitement. You're always on deadline. Long before you're producing this year's models you're working on the production problems of next year. Always there's the hope that next time around you'll hit the jackpot. There are no sabbaticals in this business. You're at it twenty-four hours a day."

Our executive finds his satisfactions not in a creation that he can look on with pride as representing some essence of himself, but in transiently exciting problems and the hope of a jackpot. By giving twenty-four hours a day to a production or marketing puzzle, a man can make a most successful career, but his progress within his job will be at the expense of another kind of development. He is like a plant that puts down roots in rich but selfish soil; the plant grows and seems sturdy, but it produces few leaves and these are pale. As an auto company attorney laments: "You don't ever have time to sit back and reflect on what you're doing, much less be serious about other things."

Since leisure has small appeal for the executive, the temptation to steal a bundle from his employer and run away to

Brazil is not very strong. But, on the other hand, since his work means so much and "other things" seem so extraneous, so far off, he is not likely to risk his career on merely ethical grounds. How much nicer it would be for everybody if, as the Secretary of Commerce has dutifully written, ethical consciousness in business were related to profits in a positive way. Ethics, along with so many of the executive's concerns, is made to fit within the corporation's objectives; his definition of wrongdoing becomes comfortably snug, and actions that might seem dubious to outsiders become matters of course to him. The *Harvard Business Review* reports that it is fairly common for an executive, asked about his own firm's ethical problems in contrast to those of outsiders, to reply: "Our company has no ethical problems. The last one we had was five years ago when the treasurer absconded with fifty thousand dollars."

For a man to contemplate his values seriously demands, as Thoreau taught, tranquillity and repose. If he aspires to the deliberate life, he had best remove himself for a time from the marketplace with all its noisy activity and all its rewards, where the tenderer impulses are apt to be trodden on, the small childhood voice of conscience drowned. But even when it is attainable, tranquillity is hard to endure for a man who has lost even the habit of eating lunch alone; it runs counter to his predilections and to his training; it breeds dissatisfaction and mental illness.

And if, despite all the bustle, an ethical qualm should somehow get through to him as it has a way of doing now and then to all men, there is a company lawyer at hand to take on the priestly function of interpretation and judgment. Thus, one Wall Street attorney reported at the height of the antitrust and conflict-of-interest cases: "We sit in on the board meetings of our corporate clients. The question of business ethics has been raised in a recent meeting of practically every one of them. At

some point in the proceedings, they turn to us and say, 'What shall we do?' "

Ethics, along with so many of the executive's concerns, has become institutionalized; corporate management turns to its own lawyers and accountants to be told what it can get away with, and policy is set on these grounds. ("In the affairs of the corporation," notes law professor Walton Hamilton, "the principle that no man is to try his own case has not as yet been completely established.") The ancient imperatives of moral law are not applicable to the dilemmas of price administration, and the unabettèd conscience, trained to respond to the corporate mode, cannot always discern where individual initiative gives way to conflict of interest. When an executive decides to branch out, like Mr. Shanks ("My tax attorneys assured me it was perfectly valid and is done all the time"), like Mr. Newberg ("[I] entered into the questioned relationship on advice of counsel"), he too turns to his lawyer, just as he would turn to an engineer or a plumber for the answer to another kind of technical question.

In every age, Dr. Niebuhr has written, "practical men of affairs, no matter how pressing their immediate duties and how interesting their practical activities, have looked up from their daily tasks to ask questions both about the fate of the total human enterprise, or at least of their culture and civilization, and about the meaning of human existence itself, including their own existence." But when the practical men of this age look up, they see all about them other practical men. And even if they could, somehow, free themselves from the seductive pressures of their work, their vision would still be enclosed by the high, solid, protecting walls — which they themselves have helped to construct — of their company.

The tangible attractions of the corporation on its upper levels have been sufficiently celebrated: the incomparable sal-

aries and unrestricted expense accounts which provide the Good Life at no cost to the one living it; the spacious offices with views, the deep-pile carpets and teak desks, the gilded names on frosted glass, the smartly got-up secretaries, the key to the executive washroom, the fine titles and all the other easily satirized yet precious perquisites of status. But these hieratic luxuries belong to one only while one belongs to the company. Like the Mom of the psychoanalysts' casebooks, the corporation pampers its favorites as a way of holding their utter loyalty. With all the money he makes, the executive complains constantly that he can't save anything. Between the taxes deducted from his staggering paycheck and the standard of living he feels called on to maintain, he is left with little hope of achieving real security before retirement, and every promotion, every increment, only heightens his dependence on the company and makes resistance to its demands more difficult.

To accentuate his predicament, corporations now emphasize "you can't take it with you" rewards for its most valued executives — generous retirement and profit-sharing plans, free life and health insurance and deferred compensation schemes relatively lightly cursed by taxes — as well as stock options and bonuses based on profits, which bind the individual ever more tightly to his institutional benefactor. Robert Paxton's base salary at General Electric was only \$125,000 a year, but options and incentive compensation brought it up to well over \$300,000. Like a miner piling up bills at the company store, to use a not entirely appropriate analogy, the longer a high-level man stays at his job, the harder it is for him to break away.*

* On the day before George Romney resigned as chairman and president of American Motors in February, 1962, to run, successfully, for the governorship of Michigan, he exercised his option to buy 13,494 shares of stock in the company for \$99,000 less than the market price. But by not holding on to his job for ten days more, he lost the chance to buy yet another 13,494 shares at \$9.91 a share compared to the market price of \$17.25. As tenure increases at the peak of the corporate hierarchy, the extra benefits would seem to provide financial independence, with some

The possible results for the successful corporation executive, at once alluring and deeply troubling, have been summed up, in somewhat extreme form, by C. Wright Mills: “. . . the purposes of the enterprise in time become men's motives, and vice versa. The manner of their action, held within rules, is the manner of the enterprise. Since their authority inheres not in their persons, but in its offices, their authority belongs to the enterprise. Their status, and hence their relations to others in the hierarchy, inhere in the titles on their doors; the enterprise with its Board of Directors is the source of all honor and authority. Their safety from those above and their authority over those below derive from its rules and regulations. In due course, their very self-image, what they do and what they are, are derived from the enterprise.”

At a time when our society has come to miss its ethical consensus and there is much searching on all sides for guidance, the executive finds in his corporation a fixed point by which to set his conscience, an ever-illuminated display case of up-to-the-minute morality. The eighteenth-century Protestant Ethic of hard work, thrift and independence has been replaced, William H. Whyte notes, by the Social Ethic, which he says “makes morally legitimate the pressures of society against the individual.” Often the pressures of a smaller society defy those of the larger: The price conspiracy which seemed so bizarre to the rest of the country was in accord with the industry's own ethical consensus; the outcasts here were not the breakers of the law but the breakers of the custom of breaking the law. When talks collapsed, it was not out of reverence for the Sherman

thing to spare. It has been estimated that if Ralph J. Cordiner — who had the option to buy G.E. stock at \$23.75 a share while the market price hovered between \$75 and \$100 — had decided to sell his holdings one day in May, 1959, he would have netted almost two million dollars. But what is independence for the clerk may be insecurity for the chairman.

Act, but because one or another executive felt that no benefit was accruing to his particular company

As the Puritans of Boston turned into Unitarians as generations passed and they became more at ease with themselves and their world, so the free-trader has turned into the organization man. Most of us are of course organization men in the sense that we seek a group through which to work, in which to find solidarity and be safe from loneliness. It is our choice of group as well as the extent to which we submit to it that is fraught with consequence. If, as Helvetius wrote, men can be made virtuous "only by making their personal interests coincide with the general interest," what may we expect when their personal interest becomes identical with that of their company?

Like the man who started with General Electric at the age of fifteen for thirty-three cents an hour and forty years later, still with General Electric, was making \$127,000 a year, America's executives have been trained for decades in what Scott Buchanan calls "the perpetual adult school of our society." It is a school whose entire emphasis, for the institution itself and for every person in it, is on material gain and material growth. It encourages honesty up to the point where honesty interferes with business; it keeps individuality within bounds and severely discourages eccentricity, intellectual as well as social. Here, in this Athens of twentieth-century America, men learn to smile while they compete for promotion; they learn to manipulate subordinates and superiors, to turn golf into policy and make friendship do the work of advancement; they learn to mask their irritations, to dilute their opinions, to embroider their language and to conceal their intentions. They learn to be sanctimonious when firing someone and devious when looking for another job. They learn that loyalty to the corporation is inseparable from loyalty to themselves and their families.

The company uses them, and they become adept at using the company. In seeking to make a tax killing for himself, Mr.

Shanks was exercising the same resourcefulness that had benefited Prudential so notably during his regime. And can Mr. Newberg's outside investments really be considered a betrayal of the values which had elevated him to the presidency of his corporation? When its star pupils embarrass their tutor publicly, company management throws up its hands and cries, with Mr. Paxton, that "Too much of the morality of the business life has to be taught by the employer." The role of moral educator, which in other periods was left to the home, the school, the church, does seem an odd one for a profit-oriented enterprise, but the corporation appears to be stuck with it. After all, to be head of One Big Family, as some house organs like to describe the situation, requires no less.

We are not the first society to glorify robust competition and the desire for gain. In its greatest years, Athens appears to have been in the grip of a similar drive. "The love of wealth wholly absorbs men . . ." wrote Plato. But amid all their competitive strivings, their emphasis on the agon, Athenians remained conscious of the existence of their community. "We are unique," declared Pericles, "in regarding men who take no part in politics as not merely unambitious but unprofitable." Today's executive, divorced from any community outside of his firm, has become thoroughly apolitical. In his early years with the company, on his way up the ladder, he is shifted about a good deal, living in a variety of towns where he can lay claim neither to past nor to future. He is, in the phrase of political science professor Norton E. Long, a "bureaucratic bird of passage." Ralph Cordiner, who was born in Walla Walla, Washington, was transferred during his first decade with General Electric from Portland to Seattle to San Francisco to Bridgeport, Connecticut, not to mention the extensive traveling he had to do while covering his sales territory. In his various stopovers, the executive generally shuns local politics as being neither particu-

larly interesting nor professionally helpful — and possibly dangerous if he happens to be a Democrat. He builds up no habit of civic-mindedness, preferring to leave the forms of community participation to his wife. By the time he is ready to settle down, the responsibilities of position rest heavily upon him; he is busy and preoccupied, and he has long since made his primary commitment.

Unlike the small local merchant who is often a civic ornament, the big-company executive in the next house merely happens to live there; he owes the town nothing. The community setting, which Plato, Rousseau, Jefferson taught was a requirement of good citizenship, is to him a matter of indifference; his desire for belonging is amply met by the corporation. In deference to his company's public relations office or out of some private enthusiasm, he may pick a cause and give to it of his time and money (William Newberg was an ardent supporter of the Little League), but this is more apt to represent recreational therapy than community spirit.

The executive devotes a bit more attention outwardly to religious affairs than he does to community affairs. Mr. Newberg is reported to have attended church regularly with his wife, a deaconess of Kirk-in-the-Hills in their Detroit suburb. One of the electrical conspirators was senior warden of an Episcopal church, another played a prominent part in a building-fund drive for his Presbyterian church and a third was chairman of a fund-raising campaign on behalf of a Jesuit seminary in Massachusetts. But everyone knows that God went out of business in the last century. The rebukes of orthodox moralists are still heard from pulpits, but it is not easy to determine just what they would have businessmen do once the generalities have subsided. When the highly respected head of the Jewish Theological Seminary, Rabbi Louis Finkelstein, tells the businessman that he is "the leading citizen of a largely hedonistic nation propelled by meaningless drives toward materialistic and

frequently meaningless goals," the businessman is likely to nod it away as the kind of stuff that religious spokesmen are duty bound to come out with from time to time. In any case, such rebukes are less common today than they once were. Business has not only escaped from religious controls over the past six hundred years, but has gone further, and persuaded many ministers that John Bunyan was thinking of movable chattels when he said, "At the day of doom, men shall be judged according to their fruits."

Walter Lippmann noted many years ago that the modern world prefers to keep its spiritual and mundane activities in separate compartments: "We do not put shrines in our workshops and we think it unseemly to talk business in the vestibule of a church." In 1961, this observation was heavily underscored by the *Harvard Business Review* survey which found that "Executives strongly favor traditional forms of guidance (sermons, writing) over recent innovations (such as the presence of a clergyman at the office or factory)." The executives also seemed to prefer that clergymen stick to preaching ethical principles rather than attempt to apply them to typical business situations. The survey conductor — himself a priest — concluded that the dissatisfaction with the clergy which he encountered among businessmen was principally due to a "lack of communication." The conclusion was a gentle one, for some of the businessmen's quotes showed an undisguised antipathy to men of the cloth who refuse to stay in their place and a strong desire not to be bothered. A young New York stockbroker: "The average clergyman has such a scant understanding of the U.S. economy that his intervention in this area would be a mistake." A Louisiana insurance broker: "I don't believe the clergy should be permitted to preach to businessmen." The president of a small financial institution: "If the clergy would stick to their business of preaching the gospel, they and business would be better off."

Such attitudes are widespread, and the strain of practicality that runs strong through America's major churches in what theologians like to call our post-Christian age has kept them from trying rashly to impose their teachings on business. The businessmen are valued, if not deeply devoted, parishioners, with low tolerance for interfering do-gooders. As for those ministers who nevertheless feel impelled to carry the gospel into the boardroom, they find no ready way to go about it; they are in alien country. The risks being considerable, the course difficult and the chance of making any mark highly uncertain, our churches have pretty much vacated the field, with the hope that those who occupy it will, at least, turn out to be their allies.

But the corporation is in fact a competitor to the church, not only philosophically, but psychologically as well. "Business is the very soul of an American," wrote a new immigrant in 1836; "he pursues it not as a means of procuring for himself and his family the necessary comforts of life, but as the fountain of all human felicity." For many executives, the company calls up a kind of dedication which religion once found in its acolytes, and draws upon some of the same positive impulses which have served religious movements nobly in their periods of growth. The analogy should not be pressed too far, but for all its insistence on its own down-to-earth practicality, the corporation cuts its favored children off from the outside world as effectively as a monastery. Sunday services today ask little of the executive — and usually give little; but the corporation demands a great deal and gives a great deal in return. Its demands are so pressing that the classic concerns of mankind — politics, the arts, philosophy, community, even family — must remain beyond the institution's fashionably decorated walls; these hard-working hundred-thousand-dollar-a-year vice presidents care as little for Plato and the swing of Pleiades as the Man with the Hoe. But their rewards are so great, their work

so exhilarating, their lives so "full," all the appurtenances of corporation success so pleasant that our well-adjusted executives have no incentive to reach out for more elusive satisfactions.

And yet the sanctuary of the corporation has its perils for those who come to rely on it. Should they be cornered outside its sturdy walls and confronted all alone with a hard question of right and wrong, the lords of the manor have nothing to say for themselves except, in defiant tones like Mr. Shanks or shamefacedly like most of the price-fixers, that everybody does it. Their corporate shield, forged of loyalty, purpose, good fellowship, success, once withdrawn, they are the most vulnerable of creatures. The harsh manners of business stripped away, they stand before us as moral innocents, not as criminals but as delinquents.

It has been a recurrent human dream, shared by Stoics, Christians and the eighteenth-century *philosophes*, to belong to a great community where they might realize themselves fully as whole men. The modern corporation, offering so many satisfactions to its higher-placed members, allows them the illusion of self-realization while it reduces them to fit its own peculiar, unhuman dimensions. Our businessmen are as ethical as they can be and as unethical as they need to be; but mainly, and disquietingly, these engineers of the national destiny are not much interested in the whole subject.

3

Government:

Quis Custodiet Ipsos Custodes?

FOR ALL the uproar that accompanied the tales of vicuña coats and cruises by yacht, of loans that were not paid back, hospitality that went unreciprocated and outside investments that impinged on inside duties, the past decade offers only pale additions to the flamboyant annals of public chicanery in America. The divertissements of Sherman Adams, of Harold Talbott and Richard Mack seemed colorful enough during their brief lives on the front page, but they fade away beside the Credit Mobilier extravaganza or the garish crookedness of the Whiskey Ring or Teapot Dome. We have enjoyed no out-and-out case of bribery on a high level for some time; no national resources have been unlawfully bartered away to private parties; despite the customary campaign fulminations and a careless Congressman or two, there has been no major instance of unmitigated corruption for quite a while. Numbers of officials have gotten into trouble, but rarely has one been charged with a crime; more often, the embarrassed officeholder has been taken to task for "improprieties," has chided himself for "imprudence." ". . . If I had the decisions now before me to make," reflected Sherman Adams at the wane of his career, "I believe I would have acted a bit more prudently."

Setting aside the question of whether poor judgment is always preferable to speculation, the ungenerous observer may attribute our national officials' apparent ethical improvement

simply to a narrowed opportunity for wrongdoing. It is harder for a Cabinet member to be led astray than it used to be. Businessmen are fairly respectful of the law these days, and the seller of favors must, after all, accommodate himself to the buyer. In the pithy comment of Harold L. Ickes: "I have never known a public official to corrupt himself." This proposition may be deficient in psychological insight, but it has its share of common sense. Government morality has marched or stumbled forward hand in hand with business morality, a pair of handcuffed prisoners, since the days a century ago when a railroad executive could frankly instruct his emissary to the nation's legislatures: "If you have to pay money to have the right thing done, it is only just and fair to do it."

Corruption is no stranger to Washington; it is a famous resident. Nineteenth-century America, with its predilection for low doings in high places, may be thought of as working out an unwholesome heritage from the Mother Country. The facts are familiar; still they provide some perspective on our own follies. The easy morals of Restoration England, displayed in gaudy strokes by the South Sea Bubble, had been imported by the Colonial administration, and been found adaptable to independence. Cynical Alexander Hamilton saw in the English system, "bottomed on corruption," a way of reconciling economic and political interests and of strengthening the state, while John Adams, the Puritan, looked about him and concluded that corruption was the very glue of stable government. There were fortunes to be made in the new country, and government officials were more or less openly prepared to help high bidders make them. They were not courting disgrace, merely working at their jobs. Even such a personage as Daniel Webster practiced gentlemanly extortion when appropriate, and had none of the compunctions of later officials about putting things in writing. In 1833, when President Jackson was

trying to kill the National Bank, Senator Webster sent a now notorious note to Nicholas Biddle, the Bank's president: "Sir: Since I have arrived here, I have had an application to be concerned, professionally, against the Bank, which I have declined, of course, although I believe my retainer has not been renewed or *refreshed*, as usual. If it be wished that my relation to the Bank should be continued, it may be well to send me the usual retainers." In addition to Senator Webster, Mr. Biddle served up refreshments to several dozen other national leaders, including Henry Clay, John C. Calhoun (thereby accounting for three of the five great Senators selected in 1957 to adorn the Senate reception room with their portraits), some Cabinet members and three vice presidents of the United States.

It was common practice in the early eighteen-hundreds for Congressmen and members of the Executive to represent private individuals in bringing claims against the government. Some of the more enterprising of them even advertised for customers in Washington newspapers. Their influence was openly for sale, and it was understood by everyone in that rough-and-ready time that they would use it without false humility or any show of subtleness. One legislator, dissatisfied with the way a court-martial was proceeding against a client of his, told a member of the military court: "You expect soon to be promoted, and I give you to understand that your confirmation will not get through the Senate without some difficulty."

The ethical scene in Washington during those years was streaky, and it became worse discolored during the Civil War and in the commercial debauchery of the postwar period, which a committee of lawyers has recently described as a time "of actual fraudulent claims, sale of information, claim chasing, overt sale of influence, improper diversion of public lands, corruption in public office, and wartime contract frauds and favoritism." But a more critical attitude toward official morality was spreading. Behavior which would not have warranted a pass-

ing shrug in Walpole's England began to seem downright unacceptable to some mid-nineteenth-century Americans. Speaking of the claims agents in 1853, Andrew Johnson said, "The government and the functionaries of government are beginning to stink in the very nostrils of the nation. . . ." Their odor brought about, between 1853 and 1864, America's first four conflict-of-interest statutes — all of them aimed at ending the practice of officials representing private interests in government matters.

A few blatant symptoms of the moment were thus outlawed, but the body politic was far from cured. Cut off from a modest source of income, the nation's legislators soon found themselves showered with largesse from railroad promoters and speculators in land, from contractors and jobbers, tax-collectors and random operators. The country was opening, and it was a rich time in America for daring men outside of government and for accessible men within. In the eighteen-sixties and 'seventies, railroad manipulators disbursed hundreds of thousands of dollars in bribes year after year. Oakes Ames, the Massachusetts Representative who headed the Union Pacific's railroad-milking Credit Mobilier of America, insured the well-being of his enterprise by placing two hundred shares of the company's stock with his fellow Congressmen where, he explained to associates, "they will do the most good to us." Collis P. Huntington, one of the promoters of the Central Pacific Railroad, which during its heyday paid out thousands in graft for the privilege of bilking the government of millions, complained that the country's legislators were "the hungriest set of men that ever got together." And an unusually objective Congressman of the time likened the House of Representatives to "an auction room where more valuable considerations were disposed of under the speaker's hammer than in any other place on earth." * But the Congress held no monopoly on crooked-

* Here, from Mark Twain's *The Gilded Age*, is the president of the Columbus River Slackwater Navigation Company explaining what happened

ness. The scandals that developed out of the post-Civil War orgy of speculation, and incidentally gave the Grant Administration the soiled name it must wear through posterity, were notable for the numbers and the assortment of high-placed men implicated in them. "One might search the whole list of Congress, Judiciary and Executive during the twenty-five years 1870-1895," wrote the patrician Henry Adams, "and find little but damaged reputation."

This lusty era provides our history texts with as ill-favored a spectacle of dynamic democracy in action as we have produced, but it was not totally unedifying. Bribery, after all, presupposes a certain respect for law — not for its integrity, to be sure, but for its power. By civilized standards, a bribe is preferable to a blow (as our commercial emissaries are now proving to officials of ethically underdeveloped lands), and when businessmen chose to buy their way to wealth through "high officials sitting half in sight to share the plunder and to fix things right" rather than club their way to it over the bodies of their fellow citizens, they were paying tribute of a sort to the legal establishment. Not only were they several paces beyond barbarity, but by corrupting the law, they acknowledged that they were its subjects; it stood above them and had to be pacified. This thought may provide small comfort to a bilked nation, but in a poetic sense at least, the bribers were setting themselves up for the judgment which, in fact, came for some of them around

to a \$200,000 appropriation his concern had just obtained from Congress: "A Congressional appropriation costs money. Just reflect, for instance. A majority of the House committee, say \$10,000 apiece — \$40,000; a majority of the Senate committee, the same each — say \$40,000; a little extra to one or two chairmen of one or two such committees, say \$10,000 each — \$20,000; and there's \$100,000 of the money gone, to begin with. Then, seven male lobbyists, at \$3,000 each — \$21,000; one female lobbyist, \$10,000; a high moral Congressman or Senator here and there — the high moral ones cost more, because they give tone to a measure — say ten of these at \$3,000 each, is \$30,000; then a lot of small-fry country members who won't vote for anything whatever without pay. . . ."

the turn of the century when the great move westward slowed. The public lands, which had only yesterday been boundless, showed signs of running out, and the nation, recently so free and easy with its wealth, reacted against its own carelessness and apathy by punishing numbers of speculators and their abettors in the capital. Other scandals lay ahead, particularly during World War I and the postwar period — always a perilous time of slump for a nation's ethical bearing — but never again would public corruption be so easy, so accepted, so widespread. The federal government was becoming too important in the lives of too many people for open rascality to be openly tolerated on the national level.

Yet the stakes kept getting higher. The public lands were exhausted, but public spending had barely begun. With the burgeoning of government services — giving, lending, buying, licensing, allocating, subsidizing — during the depression 'thirties and wartime 'forties, Washington became a mecca for favor-seekers of all kinds, setting their sights now not on the corrupt official exclusively, but on his cousins as well — on the weak man, the insensitive man, the foolish man, the irresponsible man. The areas of their activity shifted; Congress, once the sink and center of favoritism, and not yet a temple of the vestals, became investigator, exposé and denouncer, particularly when the other party held power in the White House. (Politicians, as Robert Moses has remarked, are given to pushing away the ladder by which they rose and pretending "that they reached the apex by some mysterious levitation or reverse gravity directed from above.") There was greater wealth than ever to be found in Washington, but the getting of it called for more refined techniques than our pioneering gold-panners knew or needed.

Through the skein of cynicism which we place between ourselves and the actions of our public officials there throbs a

highly sensitive set of nerve ends. How else explain our agitated response to the quite modest scandals of our time? The nineteenth century's crude displays of venality are unthinkable today on the national level; now we brood over implications and possibilities, appearances and hypothetical circumstances. We are in the fortunate, but sometimes tricky, position of being able to indulge a very nice set of ethical sensibilities, to concentrate on keeping our officials from possible temptation as well as from outright sin. Tricky, simply because it is much easier to pin down a case of bribery than to judge when an official has too heartily enjoyed too good a meal on somebody else's credit card.

Reformers of other eras, bloodied from their battles with men whose methods were as unrestrained as their greed, might be hard put to understand how we can generate so much indignation over the acceptance of a coat or a night's lodging. Perhaps they would brush it all aside as spurious, with H. L. Mencken's axiom that "Bilge goes with politics." Or they might analyze it as the kind of trivial complaint that afflicts well-to-do ladies who have nothing more serious to worry about. Or, giving ourselves the benefit of the doubt now, perhaps they would admire us for the sterner discipline which we exact from our public servants, for our advance from amputation to prophylaxis. Whether it is that we are more neurotic than we used to be, or higher-minded, or simply that with government so large and so intrusive it is impractical to wink away the easy manners of officialdom, our problems are more subtle than they have ever been, more resistant to solution by statute and, as they depend on choices not easily labeled right or wrong, rather more interesting.

The Kings of Finance, The Captains of Industry

Harold Elstner Talbott, Jr., came to Washington in good company and in a propitious time. He was sworn in as Secre-

tary of the Air Force on February 4, 1953, a charter member of the first Republican Administration since Herbert Hoover's retirement from office. It was a compatible Cabinet. Yielding to the sneaking reverence which many a sheltered and subsidized soldier holds for the man of affairs, General Eisenhower had sought his chief advisers mainly in the business world. The Business Advisory Council for the Commerce Department, a not-quite-public, yet hardly private, group of a hundred and fifty or so executives from the highest reaches of American corporate life (headed by General Electric chairman Ralph J. Cordiner until the price-fixing convictions caused him to resign) had supplied the President with his Secretaries of Defense, Army and Treasury. Mr. Talbott was not quite of this stratum, but his qualifications were excellent all the same. He had been in business, with notable success, since 1910, when on his graduation from Yale he joined his father's construction firm as a vice president. Although his progression will not seem unduly arduous to outsiders, in Mr. Talbott's own heart he was, through and through, a self-made man. "I graduated from Yale and I owed \$522," he said defiantly. "From 1911 to 1935, when my mother died, I never had a dollar that I didn't earn or make myself."

But if Harold Talbott was not out of Horatio Alger, he was no slouch either, no soft-living scion of doting parents. He was a businessman of the old, aggressive school, whose qualities lent themselves so well to caricature in the years before other-directedness gave the caricaturists fresh material for their mockery. He worked hard and he made good. At the time of his nomination to the Cabinet, he was on the boards of a half dozen companies, including Chrysler, Electric Auto-Lite, Standard Packaging, Mead Paper, Baldwin-Lima-Hamilton, the Madison Square Garden Corporation and Mary Chess. He was also chairman and director of a family holding corporation, whose real estate and securities investments were worth about \$2,500,-

ooo. In his leisure time, he raised horses for steeplechasing and money for Republican Presidential campaigns.

That elementary rule of playwriting which calls for an intimation in an early scene of the denouement in Act Three was observed in the Talbott drama when the newly nominated Air Force Secretary came up for Senate confirmation. The Senate Armed Services Committee, controlled by Democrats, set as a condition of its approval that Mr. Talbott, along with the other propertied men tapped for high Defense Department posts, most notably Secretary of Defense Charles E. Wilson himself, get rid of all stock they owned in firms with substantial defense contracts. The wealthy nominees balked, citing the capital losses and heavy taxes that would descend upon them. "I am just human," said Mr. Wilson, who owned more than \$2,600,000 in General Motors stock, and whose income in Detroit was well over ten times what the Defense Department was paying that year, "and I am making a great sacrifice to come down here." The Senate committee hardened its heart and withheld its approval, and finally all of the men yielded. Two years later, hard-pressed by critics, Harold Talbott would complain that his 1953 divestment had cost him an income of \$100,000 a year.

Although many Republican Senators commiserated with the nominees, the committee's call for divestment cannot be marked down entirely to partisan pique. In 1961 several of the Kennedy Administration's incoming officers found that they would have to leave some of the amenities of civilization behind while they manned the New Frontier. Most of them didn't have as much to leave behind as their predecessors, but Robert S. McNamara was compelled to give up \$1,500,000 in Ford Motor Company stock along with his job as president of the firm before taking title to the Pentagon.

The Senate's divestment requirement has been more hit-or-miss than hard-and-fast over the years—depending on the post in question and on the mood and composition of the

Congress. Mr. Eisenhower's first Secretary of the Treasury, George M. Humphrey, was permitted to retain sizable holdings in his own M. A. Hanna Company, parent to large nickel and steel producers, despite his statutory position on the Defense Mobilization Board, which helped make stockpiling policy. With the assistance of government nickel contracts, his company prospered during his years in the Cabinet.

The special sensitivity of Congress to the possessions of Defense officials is understandable; it reflects uneasiness over the immense procurement program required (or thought to be required) to keep the Armed Forces in weapons, food, shelter and clothing. When in 1957, it was revealed that Assistant Secretary of Defense Robert Tripp Ross was married to the head of a clothing firm that had received several million dollars in orders for cotton trousers and baseball uniforms from the Defense Department, a Senate committee forced his resignation even though there was no evidence that he personally had had anything to do with buying trousers. Mr. Ross's superior, Secretary Wilson, still chafed from his own 1953 expropriation, commented, "It's bad enough to make a man sell everything he owns, but if he has to divorce his wife, that's going pretty far."

(The watchdog Congressmen, for their part, can with impunity hold shares in all manner of businesses, from oil wells to television stations, and never think of disqualifying themselves from a vote on issues affecting their property; they get off stock-free as it were. Mark Sullivan recalls that when Senator Francis E. Warren of Wyoming defended the high tariff on raw wool early in this century, his insurgent colleague Senator Jonathan Dolliver called attention to Warren's huge holdings of sheep and pasturage by describing him as "the greatest shepherd since Abraham." Congressmen have grown more delicate about pushing through measures in their own interest or that of their close patrons since Warren G. Harding was known as the Standard Oil Senator, but they remain alert to

the needs of those of their constituents, be it the natural gas industry or Billie Sol Estes, who can afford to finance their campaigns.)

For the past fifty years, a businessman venturing into government has found himself in the unnerving position of a convert to Judaism — drawn in with the right hand of the nation and pushed away with its left hand. We have great faith in the ability of the successful corporation head to handle the state's problems as satisfactorily as he has handled his company's, but we also recognize the good sense in Plato's injunction forbidding his philosopher kings from holding distracting economic interests of their own. We admire big businessmen and deeply mistrust them.

Our mixed feelings become most volatile in time of national emergency, when the businessmen seem to be more necessary than ever — hence more suspect. In the spring of 1917, the appearance in the capital of Herbert Hoover, Walter S. Gifford, Bernard Baruch and Lessing Rosenwald was heralded by the press as the "Descent on Washington of the Kings of Finance and the Captains of Industry at the call of the trumpet." A year later, Congress, which had originally blown the trumpet, was accusing the kings and captains of "sitting in swivel chairs and fixing up jobs on the American public." They were charged with everything from accepting graft to raising rentals in Washington. America's reaction to its 1917-1918 splurge of idealism, like a bather coming down with chills after an invigorating swim, focused on the activities of those whom Mencken called "the prehensile dollar-a-year men." Charles G. Dawes, who headed the supply procurement division in France, bore the brunt of the postwar investigations. Mencken, cynical about every aspect of the late war, wrote of him: ". . . he is very typical of the America in which he lives, and in particular of the business America now triumphant. His ethical ideas are simple and devoid of cant. He believes that any man deserves

whatever he can get." The judgment was doubtless harsh, but Mr. Dawes did display a typical man-of-affairs exasperation — to which many others were to be driven under like circumstances in coming decades — at charges that excessive prices had been paid for war supplies. "Sure we paid," he roared. "We didn't dicker. Why, man alive, we had to win the war. We would have paid horse prices for sheep if sheep could have pulled artillery to the front. Oh, it's all right now to say we bought too much vinegar and too many cold chisels, but we saved the civilization of the world. Damn it all, the business of an army is to win the war, not to quibble around with a lot of cheap buying. Hell and Maria, we weren't trying to keep a set of books, we were trying to win the war."

In World War II, the sequence of welcome and rebuke for businessmen — resembling that famous Charlie Chaplin routine, where the little tramp is embraced by the roistering millionaire at night only to be kicked out of his house in the sober morning — was repeated. The War Production Board, under Donald M. Nelson, brought hundreds of businessmen to Washington. "On this job," said Mr. Nelson, "we must get maximum results from American industry and to do that we must have . . . men who understand and can deal with industry's intricate structure and operation." Harold Talbott was one of these men. It was not long before the Senate Committee to Investigate the National Defense Program — the famous Truman Committee — was decrying the policy of "taking free services from persons with axes to grind," and accusing WPB chairman Nelson and his cohorts of favoring big business in general and their own industries and companies in particular.

In 1947, Mr. Truman, now President, had the satisfaction of putting a halt to the practice of borrowing personnel from industry. But then came Korea, and the same Harry Truman who had driven the service-lenders from the temple of government invited them back. Production was needed faster than ever;

technology was more complicated, expertise a stronger article of faith. By October, 1951, no fewer than 4397 businessmen, still on the payrolls of their mother companies, were donating their talents to the government. (At least one of them was a Westinghouse executive whose training for the bureaucracy of allocation had been obtained in the electrical industry's price-rigging school — to which he returned after serving his country.) Most of the WOC's (without-compensation employees) behaved themselves, but Congress registered its usual protest. This time it was Senator Paul Douglas's Subcommittee on Ethical Standards in Government that spurred the attack. At the end of an intelligently conducted, if not especially productive, series of hearings, it called for an overhaul of the conflict-of-interest laws.* Declared the committee: "The specialists from the industries should be on tap but not on top."

The suspicions that dog the steps of the businessman-official, we are perennially warned by champions of the business community, serve to keep high-caliber men away from Washington. ("If you're asked to take a government appointment," *Fortune* has cautioned its reader executives, "watch out.") Lord Bryce noted eighty years ago that the proportion of first-rate talent drawn into politics in the United States was lower than in Europe, mainly because of the lure of other fields. By being unpleasant to men of proven ability in these other fields, runs the argument, we are aggravating the condition. "This conflict hysteria has gone so far," writes Robert Moses, "that it will drive out of politics and even government essentially decent people willing to make sacrifices for the opportunity to render public service, and substitute the cute, slick Uriah Heeps

* America's conflict-of-interest laws were reformed in 1962, as a result of a study made by the committee of the Association of the Bar of the City of New York. For the hundred years of their existence before that, they had been to the federal official what the bogey man used to be to young children — a punisher invoked often in spirit but never in the flesh.

I see every day who, on the surface, can live well within the law, accept no cigars, martinis and free tickets, take no chances, shudder at the very thought of patronage and small favors, never stick their necks out, avoid all embarrassing loyalties, would tell on their mothers and fathers, and claim a puritanism beyond anything the common run of citizen pretends to." *

The playing fields of government are hazardous enough, it is said, without subjecting men of good will to the kind of indignity they suffered in 1951 when Congress, mainly out of animosity toward Mr. Truman, refused to exempt a group of distinguished citizens from the conflict-of-interest laws and caused the President's Commission on Internal Security to be disbanded. In reply to a question from *Fortune* in the spring of 1954 — when the Eisenhower Administration's welcome mat for businessmen was being muddled over by Senator Joseph McCarthy's inquisition of Secretary of the Army Robert T. Stevens, who had but yesterday left the tranquil world of private enterprise — only twenty-seven out of one hundred and two executives around the country said that they would accept a tour in Washington if invited politely.

Even if politics were a nicer game than it is, however, even if the businessman-turned-official did not find himself frustrated and criticized beyond his endurance, he would have to be wary. It is difficult for a corporation executive to consider breaking off his career in mid-climb, taking his children out of school, renting his well-appointed house, bidding farewell to friends and country club and accepting a sharp cut in salary for the mixed pleasures of government service. Corporation life, particularly for the middle-echelon man on the move upward, does not encourage prolonged absences from the stage where talent is observed and ambition rewarded. For older men, more secure in their positions, and for men who run their own firms

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and can be spared from them, it is different: The financial loss will not make them paupers — but, on the other hand, it will not enhance their children's comfort or status. We are back at the demand for divestment.

"While competent men may be willing . . . to accept lower pay in public service," wrote the second Hoover Commission, "increasingly they are becoming reluctant to give up their lifetime accumulations of investments and pension and other rights of private industry and life." As if to document this point, a few years ago the Defense Department made up a list of fifty-seven executives qualified to fill an important post. On being approached, every one of them begged off: about half the group might have agreed to do a two-to-four-year turn if they had not had to sell the stock they held in companies with which they had been associated for a long time. "I don't know of a man who is able to take any of these important jobs who has not been successful," said Secretary Talbott, in a comment which offered a glimpse into his own major concerns as well as into the recruiting situation at the Pentagon. "If he is successful he owns something. He has made progress. To give that up and to be told you can't have that, sell it, is a pretty tough job." Robert T. Stevens, who came up for approval as Secretary of the Army in 1953 along with Mr. Talbott, put the businessman's case in its most familiar form. Pressed to get rid of his \$1,400,000 worth of holdings in a family textile firm that did almost a third of its business with the government, he generalized from his own distressing particular: "It is my humble but considered opinion that in calling able men to serve their government the requirement of me that I dispose of my Stevens stock would have a long and serious adverse effect on the willingness of those successful business executives to serve. . . ."

Having made his point, Mr. Stevens did finally give the Senate committee its way and so, in his fashion, did Mr. Talbott. "I was glad to acquiesce in the committee's desires," he

said. The extent to which he had gladly acquiesced became a point at issue later, when it was revealed that instead of selling his sizable quantity of Chrysler stock on the open market, as Senate committee members assumed he would, he had chosen to give it to his children. "The only thing it did," he said, "was fix me so I can die without an inheritance tax." Whether this symbolic observance of the divestment requirement would have satisfied the Senators had they known of Mr. Talbott's intentions is questionable. But perhaps it should have. For the entire divestment procedure where it affects holdings in giant corporations has a strong ritualistic side to it. No one argued that Charles E. Wilson's attitudes toward life and toward General Motors would be transformed by a mere transfer of stock, and not even Mr. Wilson's severest critics suggested that had he kept the stock he would have been tempted to flood his old company with Defense Department contracts. (It was already flooded anyway.) Divestment serves as a symbol of the independence and unshared loyalty that the nation in theory wants of its officials — at the same time that it gives us all the simple satisfaction of taking away from our richest citizens a portion of their worldly goods. Many rulers have had to submit to some such disagreeable rite of purification at the hands of their loyal subjects.

The Man Who Gave Up a Great Deal of Income

Harold Talbott's difficulties had nothing directly to do with his Chrysler stock. They stemmed rather from his association with the small firm of Mulligan and Company, management engineers. "I gave up a great deal of income to come down here," he told his Washington interrogators more than once. "Therefore, I was very anxious to retain my interest in Mulligan on account of the income which I felt I needed." Mulligan specialized in time-and-motion studies of the office operations of large companies — or, as Paul Mulligan himself was wont to

explain in the jargon of his craft: "We are applying the scientific thought processes of engineering to the organization, management and personnel utilization of industrial enterprise."

Mr. Mulligan started his company in 1945 and did not do very well. As a matter of fact, he had only one client when Mr. Talbott joined up two years later. The new partner was not privy to the mysteries of management engineering, but he had his uses. In Mr. Mulligan's admiring words, "Harold knew everybody." Furthermore, as befitted a former chairman of the Republican Party's Finance Committee, he knew them by their first names. Whereas on his own, Mr. Mulligan could have expected nothing better when seeking out clients than to be shunted with his sales spiel to some corporate underling, Mr. Talbott got him appointments with presidents. When at RCA, for example, he was bogged down with a Mr. Odorizzi, his partner arranged for him to talk to *the* Mr. Sarnoff. Mr. Mulligan's scientific thought processes, enhanced by Mr. Talbott's entrée to executive sanctums, proved most successful. The company, which had grossed \$76,000 in 1947, took in four times that amount in 1951. By the terms of the partnership, Mr. Talbott received fifty per cent of the net profit, and his share for the year 1951 amounted to more than \$50,000.

When the Air Force post came up, an agreement was reached, on paper, whereby Mr. Talbott was made a "special partner" in Mulligan and Company. He told the Senate Armed Services Committee in 1953 that this meant that "no work was to be done while I am in Washington that had to do with defense work essentially." The Senators, concentrating on his holdings in large defense-contracting firms, did not press the matter, but in this instance, as in others, it turned out that Mr. Talbott's testimony lacked precision. He had a talking-man's weakness for slurring over nice points. Actually, the Talbott-Mulligan agreement, as Mr. Mulligan was to emphasize later, was limited specifically to "clients whose business . . .

is predominantly in the area of procurement responsibilities of the Secretary of the Air Force"; it did not forbid Mulligan from servicing even such clients, but stated that they would be handled as a special account in whose profits Mr. Talbott would not share. But however one wishes to interpret it, the agreement remained academic. Mr. Talbott explained to the Senate Investigations Subcommittee that "we never really put a special partnership into effect because none of the companies that Mulligan did business with during the years of 1953, 1954 and so far in 1955 are primarily defense contractors or defense builders."

Before he was done testifying, these words would prove indigestible. For Mulligan and Company did continue to do work for large defense and Air Force contractors — such as the Avco Company, makers of Crosley radios and engines, among other things, which did some fifty per cent of its trade with the government. In seeking clients for his firm, Mr. Mulligan did not exert himself to determine how many Defense Department orders they had, beyond ascertaining that they did not build airplanes — "I depended on my general knowledge of their operations." Secretary Talbott continued to solicit business ("Solicitation is a strange word," he told a reporter. "I did not solicit any business." What he did was to talk "to some of my intimate friends about the work of Mulligan.") — and several of the companies he approached were heavily involved in defense work; they included Avco, with its backlog of 200 million dollars in defense orders, Chrysler, Electric Auto-Lite and RCA — "I telephoned Dave Sarnoff, whom I have known intimately for a long time, and . . . I said: 'I would like very much to have you see Paul Mulligan and spend thirty minutes with him, and I would like to have you know the technique and see the results that we have accomplished on the work which we did for you.'" He kept in constant touch with Mr. Mulligan and others about their firm's activities, and used official Air Force stationery to do so. And his name and position

— “Harold E. Talbott, whom you know to be Secretary of the Air Force” — were mentioned in a batch of testimonial letters sent out on behalf of the company: “The purpose,” Mr. Mulligan explained, “was to identify Harold Talbott in those letters.”

It sometimes happens, as we shall see in the case of Peter Strobel, that a partnership is severely hurt when one of two active partners goes away. But Mulligan and Company did better than ever. In the year before Mr. Talbott became Secretary Talbott, the company's net profit was \$84,327; during his first year in office, the figure rose to \$130,758. Between January, 1953, when the Eisenhower Cabinet took over, and January, 1955, Mulligan and Company signed up fifteen new clients, and Secretary Talbott, who helped land several of them, drew an income of \$132,000.

As this record was being made public, the *New York Times*, a journal not usually given to displays of passion, wrote, “The testimony thus far of Secretary of the Air Force Harold E. Talbott regarding the promotion of his private business operations from the Pentagon leaves one gasping. . . .” And Walter Lippmann suggested that the performance could only be explained as a variety of schizophrenia, the public official in Harold Talbott having split himself off clean from the businessman. Yet a striking feature of this case, with implications for the whole businessman-in-government dilemma, was Mr. Talbott's inability to modify, much less split his personality. He was blessed with so strong and consistent a character that he could not on entering the Pentagon adjust it sufficiently to save himself from embarrassment. Unable even to recognize the changes in his new environment, utterly incapable of adapting to them, he gamely and obliviously thumped to his end like a British colonel in India, and when he reached it he still did not know quite how he had gotten there.

“If you want to make money,” Bernard Baruch once said,

"you've got to go into the money-making business. You can't make money and do something else too." The habit of making money cannot be strained. But once it has been acquired and nurtured for forty hard-driving years, Harold Talbott learned, it is not easily shaken off. Mr. Talbott, like most of the men he associated with, was addicted to this habit, and his testimony before the Senate Investigations Subcommittee more than two years after he had been compelled to dispose of most of his stocks was heavy with the weight of their loss: "When I came down here, I divested myself of securities which have since appreciated at about three-quarters of a million dollars." The giving up of the material evidence of a successful life was still very much on his mind.

Being Secretary of the Air Force was a high honor, certainly, but its rewards were of a different order from those which he had enjoyed for most of his life, and despite his reiterated protestations, they must have been far less satisfying. He not only protested too much — but his disclaimers were invariably pasted onto the painful memory of his sacrifice like a plastic Band-Aid on a deep gash. To continue the above quotation: "I was glad to do this, glad to do it. Other men in government have made heavy sacrifices to serve the country. I mention it only as a fact in passing." At times the refrain became poignant: "Now, I come down here over a period of years, and I break all ties with the past. I am too old to go back and start again. I don't know what is fair. I don't know what is proper." Was this some sudden heartfelt realization that he may have done wrong? No, again he was thinking of the sacrifice he had made: "I don't know what penalty men should take to take these jobs on. I mean financial penalties. It is a great honor and privilege to operate as Secretary of the Air Force. I love the Air Force and love its operation. I love the feeling that I can be of use. But these are pretty stiff penalties to require."

Now and then, as though the pressure of his unappreciated

sacrifice were too great, his train of thought switched abruptly onto an odd track: "I have never turned in an expense account since I have been in Washington," he told the Senators, quite irrelevantly, at one point. "I have paid for hundreds and hundreds of dollars' worth of entertaining and telephone calls and expenses of that kind, and I have never turned in one dollar's account." Money was ever on his mind. Once, when three high executives of Douglas Aircraft, including his old friend Don Douglas, Sr., were paying a visit to his office, he lapsed suddenly into a two-minute monologue about how profitable Mulligan and Company was. He told his visitors that he was drawing \$10,000 a month from the company (about twice the actual figure). Then he broke off and said, "Why, perhaps I shouldn't mention this in your presence." When they left the office, one of the men commented, "I wonder what in the hell the Secretary brought that up for." The investigating Senators suspected that this might have been still another attempt to get a client for Mulligan. But Mr. Talbott would not have been so roundabout; soft-selling was not in his line. It is more likely that he needed simply to show his old friend from the world of big business that he, government employee though he now was, still had a hand in the game, was still able to spot a good thing and to take advantage of it. He was not soliciting; he was bragging.

Government and politics offer many satisfactions on many levels, from the ward boss's delight in personal patronage to the national strategist's pleasures of maneuver to the statesman's sense that he is participating in history. Mr. Talbott could not have been unsusceptible to the variety of good feelings that came from working in a Republican Cabinet for whose advent he had labored for years, from playing bridge with the President, from just bearing the title, Secretary of the Air Force. But the consummate businessman of his older school is trained to look, for the capstone and proof positive of success, to

money. This ultimate recognition government service, except on graft-lubricated local and state levels, seldom gives these days. When his case was over, his resignation presented and accepted in those amiably evasive notes that add a touch of graciousness to a not often gracious field, like flowered invitations to a Teamsters' convention, Harold Talbott, free again to be his own man, announced, "I'm going back to business and make myself a little dough." *

Most men with Mr. Talbott's instinct for the pursuit of profit are saved from such self-revelation, and even from compromising acts, by their sophistication, by a bit of hypocrisy or even sensitivity, or simply by fear of the consequences. But none of these fitted his style. He came to the Cabinet with a reputation for bluntness and irascibility, for sudden squalls of temper. It was reported that in his choleric fits he would sometimes fling his glasses to the floor and stomp on them. A fellow Ohioan called him "the most cussingest man in Ohio," and he hadn't been in the Pentagon long before a saying got around that "Symington charmed people out of the trees, Finletter talked them out, and Talbott blows them out." An Air Force Department subordinate, after telling of a tongue-lashing he once heard his boss deliver, commented: "The Secretary expresses himself very clearly and positively."

A gift for impatience, irritation, anger can be an asset to the head of a personally run company, who must keep people in line, force through deals, display aggressive strength and beat the odds every business day. Even discounting the President's evaluation of his work as "almost brilliant," it is easy to believe that these qualities did help Mr. Talbott to do an effective

* The frankly expressed emotion was a reminder of times past. Senator Arthur H. Gould, who barely survived a Senate investigation of his commercial activities in the late 'twenties, decided not to run for reelection, commenting: "I'm going back to my business, where I should have stayed four years ago, instead of wasting my time here."

job for the Air Force, blowing gentler bureaucrats out of the trees. But the same emotions which quell opposition from without can run roughshod over the opposition within; whatever slender sprig of reflection might have taken root in Harold Talbott's breast was howled down by the force of his own furious indignation.

Even as he was about to leave office, a moment when another man might find humility, he took umbrage at Secretary Wilson for saying, in his plain way, that he was "very distressed about the whole Talbott business," that he didn't "like any part of it. It was a very disturbing matter." For Harold Talbott there was no question of being distressed or disturbed; the issue was clear-cut — one was either for him or against him. That he, who had given up \$100,000 a year to come down to Washington, should be accused . . . ! He was very angry. Coming up to Mr. Wilson at a news conference called to introduce his successor, he grumbled, within hearing of reporters: "I don't like what you said . . . about being distressed about the whole business of my resignation." When Mr. Wilson tried to reply, he cut in, "You haven't done a thing to defend me."

The belief that the Secretary of Defense was under some obligation to defend his peculiar activities represented the same self-confidence, undiluted by self-questioning, that impelled Secretary Talbott into an especially flagrant scene in behalf of Paul B. Mulligan and Company. Toward the end of 1954, Mulligan was negotiating for a contract with the engineering products division of RCA, which handled a great deal of defense work. An RCA lawyer reviewed the propriety of the contract in view of the Secretary's interest in the company, and concluded that it would be unwise for RCA to get involved. Mr. Mulligan appealed to his partner — "I think we are getting a runaround" — and Mr. Talbott's immediate response, as usual, was to become incensed. "I was annoyed that he [the lawyer] thought I was doing anything or being put in a posi-

tion where I was doing anything illegal or improper. I was irritated by it."

Perhaps he really had no misgivings; or perhaps they were washed away by his storm of anger at the insinuation that he should have had some. A man constitutionally disposed to attack, he did not know how to retire. Instead of essaying a graceful withdrawal of forces at the first note of warning, he plunged onward, still deeper into the conflict-of-interest woods. He asked the Air Force General Counsel for a written statement as to the propriety of the contract; the Counsel — a subordinate of the Secretary, after all — obliged him and in fact called the RCA lawyer to say that he was willing to deliver a written opinion that there was no legal reason why a Mulligan-RCA deal could not be arranged. When the RCA man, who got the distinct impression that the General Counsel was acting as Mr. Talbott's personal attorney, continued to express doubts, the Secretary himself took the phone. Fighting for his own now, he delivered a sharp, scolding lecture, the gist of which was that other companies had hired Mulligan despite their work for the Air Force, and if they had no qualms, "why was RCA acting so high and mighty?" The lawyer described his tone as "forceful — he wanted some action."

In this incident, Mr. Talbott seems to have given way, once again, to exaggeration as well as to irritation. According to the RCA lawyer, he rceled off the names of twelve or fifteen companies — only one of which was actually a defense contractor in the substantial sense that RCA was. This kind of carelessness with facts, common to high-pressure promoters and possibly to political fund-raisers as well, tended to aggravate, in Mr. Talbott's case, the normal failings of memory that afflict witnesses under investigation. Before the RCA lawyer told of the scolding, Mr. Talbott assured the committee that at his first inkling that someone had doubts about the deal, he said to Paul Mulligan, "Of course, don't touch it. . . ." He went

further: “. . . if there was any question in anybody's mind about propriety, I would not consider doing any business . . . I would not have let him take that contract.” His memory had to be refreshed, too, with reference to RCA and Avco, on the amount of defense work handled by the divisions he tried to woo as clients. In both cases he recalled that it was insignificant; in both it turned out to be considerable.

The Secretary's easy way with facts was related to his attitude toward official protocol. In at least two cases that subsequently came to light, he threw his weight around in dubious causes outside Air Force jurisdiction. Early in 1954, he took part in the political jockeying over the choice of a building firm to expand the government nickel plant at Nicaro, Cuba — a case that helped end the public career of General Services Administrator Edmund F. Mansure. On another occasion, the Secretary, for mysterious reasons, gave a letter of introduction to an international oil-seeker named Wendell Phillips who was trying to make a deal with the king of Libya. Although Mr. Talbott owned stock in certain oil exploration companies, his connection with Phillips's enterprises remains unestablished. But his letter and his unusual courtesies to the explorer while on a trip to Libya in 1955 — such as letting him tag along with the official party — stood the young man in profitable stead.

“I have never used my position as Secretary to pressure a living soul to give the Mulligan Company any business,” Mr. Talbott declared, but that gross charge was never brought against him. And, again, he said, “The few minutes I have given to the Mulligan Company since I took office have been a trivial part of my time” — as though his predicament could be cleared up by one of Mulligan's time-and-motion consultations. Again and again, Mr. Talbott showed a blankness to the nuances of his position that in itself was enough to throw a shadow on the most law-abiding official. He had no time for nuances. His career, the career of so many successful men of his

generation, was compounded of toughness, hard bargaining, truth-skirting and an intense concentration on private interest. He relied on these qualities to the bitter conclusion of his government career.

At the investigation that was to result in his ouster, he offered, in a flat attempt to cut short the hearings, to sever all his connections with Mulligan and Company. (It might have worked had not the New York *Times* published copies of some of his letters in Mulligan's behalf on its front page, leaving the Senators small choice but to carry on.) And toward the end of the hearings, after the whole blushing record of his private enterprise in public office had been laid out, he attempted to pass it on, gift-wrapped, to his friend and partner: "As you will remember," he told the committee, "in my letter of January 8, I said to Mulligan that he has the sole responsibility in the operation of the company. I had counted that he was doing that, and that he would not involve me in any way. Now, Mr. Mulligan is one of the finest men I have ever known, and he is honorable, and he is honest. If at any time he has done anything or solicited companies who had any significant amount of defense business, I am sure he would have invoked the special partnership clause."

For his farewell message to the nation after he had been ejected from the Cabinet, Harold Talbott, hard-shelled businessman to the unhappy end, chose to reduce his whole painful experience to a wisecrack: "Do right and don't write."

From first to last, Harold Talbott's was an exhibition of uncommon inflexibility and insensitivity. His behavior, like that of an untutored child on his first outing to a restaurant, was not sinful — just extremely embarrassing to the other people at his table. But to judge by the Godspeeds on his departure,* one

* Compared to the *billets-doux* which have passed in difficult hours between members of beleaguered Administrations, Mr. Eisenhower's good

might have supposed that the Secretary was being drummed out of the service for exceptional gallantry. Although Hurricane Connic forced cancellation of a planned 150-plane farewell fly-over, the Medal of Freedom for Meritorious Service and the Navy's Distinguished Public Service Award were pinned on him on schedule; 1800 men paraded; and the Air Force band played "So Long, It's Been Good to Know Yuh!"

Many commentators, firm in the belief that lack of money is proof of mediocrity, felt that the real importance of the affair lay in the discouraging effect it would have on getting other rich men to the capital. Instead of turning away from Harold Talbott as an unfortunate exception to the rule, an out-of-date type from whose case no generalizations should be drawn, the champions of business chose to take him up as a model worth defending. An old epigram made its reappearance in business circles: "The only thing a businessman has to gain in Washington is the loss of his reputation." Most newspapers, having ignored the charges first publicized in the *Times* for as long as they decently could, picked up the refrain. *Time* magazine expressed its concern: "The Talbott case, with its headlines and recriminations, will further complicate the problem of getting able businessmen to serve in government." Marion Folsom, the new Secretary of Health, Education and Welfare — by way of Eastman Kodak and the Business Advisory Council — asked: "Is it any wonder it's tough to get good men down here?" and did not stay for an answer.

wishes were almost restrained. When the well-bribed, prison-destined Albert B. Fall resigned as Secretary of the Interior in March, 1923, after helping to concoct the witch's brew of Teapot Dome, Secretary of Commerce Herbert Hoover bade him farewell with this assurance: "I know that the vast majority of our people feel a deep regret at your leaving the Department of the Interior. In my recollection, that department has never had so constructive and legal a headship as you gave it. I trust the time will come when your private affairs will enable you to return to public life, as there are few men who are able to stand its stings and ire, and they have got to stay with it." President Harding reportedly expressed his good wishes by offering fallen Albert Fall a place on the Supreme Court.

Harold Talbott made a peculiar symbol for the business community to inflict on itself. To the extent that he was representative of his class, every businessman constitutes a doubtful quantity in government. All must be presumed irreparably subject to asocial manners. But in fact Mr. Talbott was only representative of a certain breed of businessman, a vanishing breed. If he was a martyr (and he gave indications of thinking himself one) it was to his own temperament and training. The qualities that got him into trouble are native to those entrepreneurs who cut their teeth on the tough meat of a personally run firm rather than in a big corporation where individual decisions, responsibilities and risks are pre-sliced and tenderized. Probably he was not more emphatically self-seeking, nor more blankly insensitive than other men of his milieu — but they have the grace and good sense to stay in private life, where more is permitted and less is broadcast. The personal success that constituted his credentials for his job might have served as a warning flag in government.

The head-shakings over Secretary Talbott's difficulties among friends of business like Senator George H. Bender, who knew something of life's temptations ("I have not found anything in this record to indicate Mr. Talbott was guilty of any indiscretion"), seemed oddly directed. The moral they found in the case was that public office puts heavy impositions on men of substance. It was as though on analyzing a suicide leap, they concluded that high buildings and bridges constitute terrible temptations to worried stockbrokers. Less partisan observers, in search of some sound judgment to round out a speech or an editorial page, had their problems too. Secretary Talbott's actions had aroused them, but as far as anyone could determine he had never directly or consciously used his position for private gain. Even at his angriest — which was pretty angry — he had never hinted to RCA that its obduracy toward Mulligan was endangering its Air Force contracts; cer-

tainly he had never put that kind of pressure on the numerous old friends he had gotten in touch with on Mulligan's behalf. As a matter of fact, Air Force procurement was not handled directly by the Secretary at all.

What was it then that made the case so disturbing? Perhaps, that in many ways unpleasant to think about Mr. Talbott represented a still sizable, if decreasing, species of American businessman, and that his goals and characteristics are shared by many others? That the personality which became so offensive when it was produced in public is profitably installed in communities throughout the country?

No. The editorial writers pondered and concluded that what was bothering them was the *appearance* of the thing. Declared the *Times* in its thickest style: "For a high public official even to appear to solicit business from companies with which the government has contractual relations for the benefit of another company or companies from which he was deriving profits cannot possibly be accepted as proper procedure." Writers and speakers whom one would never have accused of cracking Plutarch began making free with Caesar's wife. Even the Secretary himself picked it up: ". . . I don't think I have done anything that is not proper," he said in offering to sever his connections with Mulligan and Company, "but I want to be above suspicion. If you want to say 'as Caesar's wife,' as some editorial said."

The appearance-of-impropriety argument has been worked hard in recent years — most memorably in explaining the discomfort caused everybody but professional Democrats by the Sherman Adams-Bernard Goldfine relationship. And it has been enough in most cases to part the suspect official from his office without subjecting the rest of us to the strain of drawing up a more precise indictment. But a reliance on appearances, appealing though it is to common sense (we do, after all, have a right to expect something better than mere legality

from public officials) and useful though it was in the cases of Harold Talbott and William Newberg, can be dangerous. Particularly in politics, where charges are made with an eye to headlines and defenses are set up where practical, not where just, the result can be unfair to the individual and of doubtful value to the commonwealth. Enter Peter Andres Strobel.

The Burden of Caesar's Wife

Peter Strobel came to this country in 1925, when he was twenty-four years old. Over the next quarter century he built up, together with an enviable reputation as a structural engineer, a consulting engineering firm that brought him in a good year an income of more than \$100,000. In the spring of 1954, having been cleared by the Republican National Committee, he was appointed Public Buildings Service Commissioner in the General Services Administration at a salary of \$14,800. "My adopted land has treated me well," he said, "and this is my chance to prove that I am grateful."

Mr. Strobel was not in the same economic bracket as Harold Talbott, and on taking the job, which carried with it responsibility for more than one billion dollars in real estate and 200 million dollars' worth of building projects, he made clear to his boss, GSA Administrator Edmund F. Mansure, that although he was relinquishing active management of the firm of Strobel and Salzman, he was holding onto his ninety per cent interest. "I could not see my way to accept employment with the federal government," he explained later, "without being assured that the office of Strobel and Salzman could be permitted to continue, because it is my creation, and it is about the only thing I have."

He laid down several rules for the company, the main one barring it from taking on any new clients who were seeking work from the Public Buildings Service. This arrangement was to seem ominously reminiscent of Harold Talbott's arrange-

ment with Mulligan and Company, but the similarity was more in wording than in spirit. Mr. Strobel was serious about it. For six months, he let a GSA standards-of-conduct statement remain unsigned on his desk "because I could not sign the statement just as it is." When finally he did sign it, in December, he added a note which again spelled out his connection with Strobel and Salzman. Ten months after taking these unusual pains to set the record straight, the commissioner was called before a House Committee to defend himself against conflict-of-interest charges. There were three major ones:

1. After starting in his government job, he went personally to the Army Corps of Engineers and pressed a claim for \$7500 owed to his company.

2. At his suggestion, a \$16,390 contract for remodeling a government building was awarded to one of his company's clients.

3. While holding public office, he personally solicited an \$18,000 construction contract for his engineering company from a Manhattan architectural firm.

To the ordinary newspaper scanner, these baldly stated facts must have seemed like clear echoes of Secretary Talbott's calls on his old friends, and by the standards demanded of Caesar's wife, Mr. Strobel's reputation was lost. Less than two weeks after the charges were leveled, he resigned from his post, conforming to the Talbott pattern. The story passed quickly from the papers, and for most of the nation it was just another, familiar instance of a businessman-official gone sour. But the appearances on which the case was decided did this particular businessman slight justice. The details are not exciting, barely worth a column on an inside page, but let's bear with them.

1. *The Corps of Engineers:* In the spring of 1955, Mr. Strobel went over to the Pentagon on his lunch hour to inquire after a payment that the Corps of Engineers owed Strobel and Salzman for a job done in 1953. Although he did not try to

trade on his official status in presenting the claim, it was nonetheless a foolish move, open to the interpretation that he was acting as an "agent" in trying to collect a debt from the government, and thereby violating the oldest of the conflict-of-interest statutes. It was the act of an impatient businessman (the bill had gone unpaid for months) and would better have been left to his partner—who actually settled it after a time for \$3097. It was an error of impulse, but it carried no hint of influence or of undue gain for his company.

2. *The contract-awarding:* Not long after Mr. Strobel came to Washington, the Public Buildings Service was asked by the Immigration and Naturalization Service to take on a rush job of renovating its new quarters in New York City. The PBS deputy regional director was worried about the close deadline; he had only three months to get the job done, and the selection of an architect alone normally took a full month. On being apprised of the problem, Mr. Strobel asked him whether he had in mind a specific architect for the project; he said he didn't, whereupon Mr. Strobel suggested a firm — Serge Petroff and Associates, which he knew from experience was willing and able to handle rush jobs. It was not a notably desirable commission, combining a tight deadline with a modest fee, and the deputy director gladly got in touch with Petroff, who started work that same weekend.

Mr. Strobel did not mention when the decision was being made that Petroff had previously carried out assignments for Strobel and Salzman, and it was on this point — not on any suspicion of a payoff — that three Democrats on the investigating committee faulted him. "Due regard for the proprieties," they declared, "might have dictated that Mr. Strobel advise GSA officials at the time that Petroff was a regular and active client of Strobel and Salzman."

Mr. Strobel explained: "I had only one thing in mind, and that was for the government to get this particular project on

the road as fast as possible, and knowing that the project was not necessarily an attractive proposition for any architect, I don't think it entered my thought that there might be any conflict whatsoever. It was a matter of getting a job done, and that is how I made my reputation, that I can get work done." (It turned out that Petroff had received a very small favor indeed. The Immigration Service project was abandoned, and the architects drew a \$9200 fee for their work. A few months later, when a considerably more lucrative government project was pending, Petroff was ruled out because it had recently been awarded the other contract. Attempting to explain how he finally chose the architect for this second job from among three equally qualified contestants—who, like all architects, abhorred competitive bidding as demeaning to their profession—the deputy said candidly: "It was just an eeny, meeny, miney, mo basis.") Mr. Strobel could have played safe by not putting forward a suggestion at all. He could have left it up to his deputy, who knew nothing about architectural firms. But one of the commissioner's special assets was that he had better criteria to go by than eeny, meeny, miney, mo.

It is not hard to accept his statement that a possible conflict of interest never occurred to him. Could he have recommended Petroff in the first place if he had not had some dealings with the firm? Must we grow suspicious on learning that six of fourteen architects on a list submitted to the Central Intelligence Agency for its new office building in 1955 were clients of Mr. Strobel's company? Or may we not take at face value his explanation that "it goes to prove the high caliber of clientele Strobel and Salzman have been able to establish—in other words, it would be impossible to give fair consideration to the qualified firms without running across some people that I had business with as a partner of Strobel and Salzman"?

Peter Strobel's difficulty in this case was that he did what he had been hired to do, and used the knowledge he had been

hired to do it with. Fresh from private industry where he was accustomed to being his own man, to making quick decisions based on long experience, he acted for the government as he would have acted for himself in a similar situation. This can be hazardous — but it can also be innocuous and efficient.

3. *The business-soliciting:* At the end of 1954, the business manager of Strobel and Salzman made an appointment to see the head of the architectural firm of Ferrenz and Taylor about a possible engineering contract. Mr. Ferrenz suggested that he bring along his boss, Commissioner Strobel, and as is the way with suggestions from prospective clients, the commissioner went along. No business was signed up at this meeting, but about ten months later Strobel and Salzman did take on a job for Ferrenz, which carried a fee of \$18,000; Mr. Strobel did not participate in the negotiations leading to this contract.

What troubled the Congressman here was that Ferrenz and Taylor subsequently showed an interest in getting work from the Public Buildings Service — a development which would have put the commissioner in a sticky position. But, in fact, Ferrenz never did get a government contract, and Mr. Strobel promised that if ever they were considered for one, he would disqualify himself. This might be dismissed as an inexpensive verbal sacrifice, except that his behavior in another, similar case lent weight to the pledge. On learning that an architect who had recently given an engineering assignment to Strobel and Salzman was being seriously considered for a government project, Mr. Strobel had his company withdraw from its contract — thereby giving up a fee of \$30,000.

One Congressman said that “perhaps Mr. Strobel was naïve in not understanding why one of the members of Ferrenz and Taylor had expressed a desire to meet him at that particular time.” The observation was sensible. A politically astute man would have been wary about such a request, but Mr. Strobel was far from that — and Strobel and Salzman’s need

for new business was pressing. During his year and a half in Washington, his firm acquired only two new clients, including Ferrenz and Taylor. Profits dropped from more than \$106,000 in 1953 to below \$53,000 in 1954, and Mr. Strobel's income sank in those two years from about \$87,000 to less than \$35,000. "I don't want to build up my own importance," he told the Congressmen, "but it probably wouldn't be altogether unreasonable to say that I am a very important man in that outfit — in fact, I knew that all the time, and I found out that I was a lot more important to the firm than I thought I was when I came down here."

Innocence is an ambiguous virtue in a public official, but perhaps the same innocence which allowed Peter Strobel to meet with a prospective client who may have had ulterior motives could have saved him from more serious involvements had the client become a government contractor. For Strobel and Salzman to be barred from doing business with any firm that *might* some day do business with the government (GSA maintains a list of one hundred or so top architects who fall automatically into that category) would have meant either that he had to get out of government or give up "about the only thing I have." For him, he said, his business was a personal thing, "a matter of pride — not like selling dividends"; his life's major creation as well as his major source of income was at stake.

Even putting so kind an interpretation on Mr. Strobel's actions, it may seem that consciously or not he did in fact overstep the undefined bounds of propriety that the Congressmen invoked. The White House — in the person of Sherman Adams, who in those years was still handing down rulings on other people's conduct — did not feel his case was worth even a mild embarrassment in an election year. He was treated as Harold Talbott was treated, but without the march-past. Most Democrats, delighted at any stain on the Administration es-

cutcheon, were not about to pause and make judicious distinctions between the Strobel case and the Talbott case; they cheerfully lumped them together for purposes of display and disposal. Even the Republicans on the investigating committee concluded that although the commissioner had done nothing unethical, his outside connection nonetheless placed him "in a fundamentally inconsistent and untenable position. . . ." Mr. Strobel — who declared at the start of the investigation, "If they want to get rid of me, they'll have to fire me. I'm not the kind of man who runs" — resigned with the usual letter and left Washington, unmourned and unmedaled, but with a better understanding of political rigors and of himself ("In politics I was out of my element") and impressed perhaps with Samuel Johnson's maxim that there are few ways in which a man can be more innocently employed than in getting money.

Having sent a Talbott packing, one can write him off as an extreme example of the kind of businessman who is bound to fall into difficulties in Washington. But Peter Strobel was in no way extreme. What little he did was not noble or selfless, but it was not iniquitous either and certainly not immoral; when we send him home because he was in an "untenable position," we make nonsense of the wholesome notion of inviting men who run their own businesses to try the role of Washington bureaucrat, to participate in their government.

Here, one would have thought, was the place for the friends of the businessman (and the small businessman at that) to make their stand. But Mr. Strobel was not important enough to warrant such a fuss. It was left for Representative Sidney A. Fine, a Democrat, to divorce himself from the rest of the investigating committee, and issue the most cogent statement of the hour. Emphasizing that Peter Strobel, rather than a career civil servant, had been named commissioner "because of his high qualifications and long experience in the construction and en-

gineering industry," and that "the evidence is clear that he performed services of outstanding value to the government at great personal sacrifice," Mr. Fine went on to ask a question that has still to be answered: "What standards of conduct should be expected from individuals brought into government service for positions of responsibility when it is recognized that they cannot meet their obligations solely on government salaries, and are brought in to assist the government for relatively short periods of time with the full expectation that they will return at some future date to their own private business interests?"

If the problem of the businessman in government amounted to no more than that set by the Talbott and Strobel affairs — of preventing an official from putting his power and prestige to some incidental private use — we could, without endangering the Republic, continue to take the cases as they come. On weighing the risks against the benefits, we might conclude that a man of Harold Talbott's disposition would have been better off back in Ohio than in the United States Cabinet, whereas Peter Strobel would have made a good Commissioner of Public Buildings despite the fact that he knew a great many architects. (The office as well as the man matters in these cases.) Or we might, in a more cautious or moralistic humor, judge that no *appearance* of favoritism is ever permissible and notify all owner-managers of private concerns that they may serve the nation only if they first reject their professional experience and snub their friends, dismantle many years of work and cut into their children's security. Such actually was the judgment of three Democrats on the Strobel investigating committee; they recommended a prophylaxis so total that it would have sterilized the patient — whom they did not much like anyway — under pretext of curing his ailment: "As a matter of policy the government should not employ any person who has private business interests that depend upon dealings

with individuals and firms with which that person has to deal in the course of his official duties. A person who has such private business interests should not undertake government service that requires him to deal with such individuals or firms."

Whatever one decides about Peter Strobel, his misdeeds amounted, at worst, to a very minor blemish on the splotched face of government. We are able to protect ourselves fairly well by administrative red tape against flimflam in the awarding of contracts. The greater issues raised by the businessman-official reside in another place altogether. They have to do with attitudes, values and habits, with the views toward social goals of men who, having spent their lives in private business, sell some stock and at the age of fifty-five or sixty-five take over a government department for a while.

At some level, the contemporary businessman's attitude toward himself and toward his government often seems to be little different from what it was in Teddy Roosevelt's day, when railroad man James J. Hill, under attack from Washington, complained to a friend: "It really seems hard, when we look back on what we have done . . . in opening the country and carrying at the lowest rates, that we should be compelled to fight for our lives against the political adventurers who have never done anything but pose and draw a salary." In a study of federal executives made a few years ago, one official was quoted as saying: "When a fellow is asked to accept a political appointment in Washington, he may wonder whether it is a good thing for him to associate himself with a government that many of his associates regard as a great spending machine that is eating away the vitals of our liberties." Well, we may ask in return whether it is good for the country to have in Washington a fellow who worries about this sort of thing, who thinks of government in this way. Teapot Dome was a scandal of larceny, but Dixon-Yates was a scandal of policy.

Where the businessman may be frustrated by the capital's

bureaucratic rigamarole and offended by the incessant publicity, the nation may be put off by his free-and-easy mode of operation, his odd notions of what government is all about; the discomfort is mutual. "Must we always," Grover Cleveland asked in exasperation, "must we always look for the political opinions of our businessmen precisely where they suppose their immediate pecuniary advantage is to be found?"

The rewards of bringing the successful man of commerce into government have been thoroughly mixed with disappointments. Montaigne cautioned against the easy conclusion arrived at by the Parians who, sent to reform the Milesians, put the owners of their best-cultivated lands and best-kept country houses into positions of authority, assuming that being careful of their private affairs, they would be equally careful of public affairs. The opposite conclusion would have been no less justified, since many a citizen's private wealth has been enhanced at the expense of the common wealth. In either case, meeting a payroll is not a requirement of public service, and businessmen as a group have by no means shown themselves consistently or spectacularly superior to career civil servants — on whom, incidentally, their presence can have a demoralizing effect. A business executive like Clarence B. Randall, former president and board chairman of Inland Steel and advisor on foreign economic policy to three administrations, is a rare specimen on our national scene, a man who has managed to divide his time between Mammon and Caesar and do credit to both. More often, in bringing a businessman into government, we seem to be hiring an ambassador from another state — or planet — a sometime ally who speaks a special language and needs interpreting.

As long as what is good for General Motors is good for the country, then Charley Wilson will assuredly be dedicated to the public weal. But in our imperfect world, this situation may not exist on some days of the week. Where will his influence

fall on a bill to stop automobiles from polluting the air in our cities? Where will he stand on proposals for cutbacks in arms or on stockpiling decisions? Whose interests will hold the main part of his concern when the Cabinet talks about automation? But we have arrived at an ethical problem of a larger kind — may it not go unnoticed among the entertaining exploits of a Harold Talbott or the misfortunes of a Peter Strobel.

The Man Who Nobody Had in Their Pocket

As Peter Strobel was being ejected from office, GSA Administrator Edmund F. Mansure was asked by the investigating Congressmen to render judgment on his subordinate's behavior. In his reply, delivered after Mr. Strobel had bid good riddance to Washington, Mr. Mansure displayed as nice a sense of right and wrong as one is likely to encounter outside of a theological seminary. His decision rang with hard verdicts: "These actions were improper and in violation of our Standards of Conduct." "These activities did not measure up to the principles of ethics prescribed in our Standards of Conduct and, therefore, would be regarded as improper." And, he concluded, Mr. Strobel's relationship with Strobel and Salzman was "incompatible" with his role as Commissioner of Public Buildings; the departed, in the opinion of the coroner, had been done in by his own vices.

From a reading of this autopsy, one might conclude that Administrator Mansure, like an overly rigid father, had impeded the healthy moral development of his charge by setting too stiff an example of probity — "I think," he told the Congressmen, "that when you accept government service and work for the government you have an obligation and you have a trusteeship." And, a few minutes later: "You have got to make up your mind who you are going to work for. I had to do that. It was hard for me to make the decision, and I made the decision, and I work for one master, the government,

now." Would it not have helped the neophyte from New York keep on this side of propriety, a permissive parent might conjecture, if his chief exemplar had not been such a Puritan?

But to be entirely fair to Mr. Mansure, he did in fact relent on at least one occasion and tried to introduce the unknowing engineer to some of the twists and turns of public administration. At the end of 1954, he arranged for Mr. Strobel to meet a New York accountant, with excellent connections in the Republican Party, who was at the time representing a large architectural firm. The accountant was very much *persona grata* with the General Services Administration; he became a real estate broker in 1954, and a bare year later was sharing a \$25,000 commission for negotiating a government lease renewal in New York. His main reason for wanting to meet Commissioner Strobel, apparently, was a kindly desire to throw some business to his engineering firm and, sure enough, within two or three weeks, a job was offered to Strobel and Salzman by the architects he represented. The engineers turned it down as not being sufficiently attractive, and a few months later the architects propositioned them again — this time with the structural engineering contract for New York's Fashion Institute of Technology, at a fee of almost \$30,000. It was accepted — briefly. For this was the contract that Commissioner Strobel felt obliged to cancel early in August, upon learning that the friendly architects were after part of a million-dollar government assignment on the new Central Intelligence Agency headquarters. The firm, ably represented by the well-connected accountant, had won the strong recommendation of Administrator Mansure, who knew nothing about architects but had been deeply impressed by their Republican intermediary: ". . . he was a very forceful salesman. He was after us all the time. In credit to him, I admire it."

That Ed Mansure, lately of Cook County, Illinois, should have offered a helping handout to a fellow party worker was

no cause for shock; he had long since proved he could hold his own in the Midwest's steamiest political playground. After managing several local Republican campaigns and putting in a term as the party's state treasurer in 1937, he was rewarded with appointments to three state boards, and finally in 1954, was sent by his ward boss-patron to Washington itself, where the nation's resources of talent were then being stockpiled. The administrator suffered no indignities for his part in the tempting of Peter Strobel. With the Congressional committee's assistance, he emerged as a disinterested and slightly distressed spectator. Only Sidney Fine suggested that "Mr. Mansure, in passing judgment on Strobel, hoped to relieve himself of responsibility in this matter." Congressman Fine pointed out that the administrator had hired the commissioner in full knowledge of his connections both with Strobel and Salzman and with major architects, builders and engineers throughout the country, and could not "evade the consequences of that decision by placing blame upon Mr. Strobel for conduct that was neither illegal nor immoral." He added: "Mr. Mansure might well reevaluate his own programs and policies rather than to evaluate the conduct of someone who has already resigned."

Mr. Mansure probably did not feel this slap on his wrist, since at the time, the closing days of 1955, he was worried about having his head chopped off. In August, *Fortune* magazine, America's most respectable muckraker, had run a very critical article on the General Services Administration, bluntly entitled, "Washington's Most Durable Mess." Despite his record of saving paper clips and distributing three-minute egg timers as a reminder to keep phone calls brief, Administrator Mansure was singled out for especially harsh words. He was described as an emissary to the national capital of William J. Balmer, boss of Chicago's seventeenth ward and "The Silver Fox" of Cook County politics, with whom he had discussed govern-

ment contracts. *Fortune's* statement that he was "in the pocket" of Boss Balmer — who had first put him forth to the Republican National Committee as a worthy GSA administrator — was very much on Mr. Mansure's mind when he was testifying in the Strobel case. "I am accused of more things than ever existed," he said. "People claim that they have Mansure in their pocket, and have an in in GSA. Nobody has that."

Two months after handing down judgment on Peter Strobel, Ed Mansure found himself before the bar of another Congressional committee. This set of Congressmen was inquiring into certain peculiarities surrounding GSA's expansion of a government nickel plant in the Cuban jungle. The Nicaro plant had been built in 1942 and 1943 to help meet the critical wartime need for nickel. It was closed down in 1947, and reactivated during the Korean emergency. At the end of 1953, the Office of Defense Mobilization authorized its expansion at a cost of 43 million dollars. The Congressmen were particularly interested in Administrator Mansure's role in awarding the construction contract for the expansion, and in selecting an insurance broker. Their hearings provided a view from the wings of one of the most colorful shows that American politics has to offer — the impresarios of patronage from city, town or state, assisted by motley players with homely manners, presenting their classic repertoires on the great national stage.

When it came time to choose a construction company for the Nicaro expansion at the beginning of 1954, Mr. Mansure's initial reaction was rational — he wanted to award the job to the best qualified firm. In the unanimous opinion of GSA engineers, this was the Frederick Snare Corporation, a construction firm with a half century's experience in Cuba, which had originally put up the Nicaro plant during World War II, and had rehabilitated it in 1951. "To the best of our knowledge," the chairman of GSA's Nickel-Graphite Committee wrote to Ad-

ministrator Mansure, "this [Snare] is the only American company who is well qualified in Cuba and who has performed successfully projects of comparable size and complexity." The choice seemed clear-cut; the need for nickel was agreed to be urgent; yet six months after Mr. Mansure informed Sherman Adams ("knowing your very live interest in such matters") of his intention to give the job to Snare, a builder had still not been selected.

In the Congressional election year of 1954, the Administration caretakers — in particular, Republican National Committee chairman Leonard Hall — were seriously concerned that government contracts were being let without sufficient regard for the party coffers. Mr. Hall entertained — or pretended to entertain — a suspicion that Snare's officers might actually be *Democrats*. This turned out to be a slander, but they did not qualify as satisfactory Republicans either. As Mr. Mansure explained, ". . . they made just pittance contributions." He amplified: "From a practical standpoint in politics, I know that many people without getting any business whatsoever from the government make substantial contributions to both political parties, but Frederick Snare just had no record of taking any part in it. They were not active politically. They never did a thing, and that is what the whole argument was about."

Although he became Snare's champion in the Nicaro affair, Mr. Mansure could not help feeling annoyance and even disdain for a company that was harming itself and making his job needlessly difficult by its un-givingness, its flat indifference to the ground rules of his professional existence. They might as well have gone to pray in a mosque with their shoes on. No matter how convinced he may have been of Snare's technical superiority, he could not bring himself to put up much of a fight on the company's behalf. Was he, who had thrived for decades on the exchange of political favors, whose very job was in payment for his services, past and potential, to the

Cook County organization, to feign outrage at interference from fellow politicians? It would have been like smacking his own face. And, anyway, who was going to take such a protest seriously, coming from good old Ed Mansure? He would have been laughed out of court, and possibly out of office.

Instead, he tried to educate the Frederick Snare officers in the ways of politics much as he had tried to educate Peter Strobel. When Snare's executive vice president complained to him, as the months wore on without a decision, that he felt he was "not getting a fair opportunity on this contract," Mr. Mansure told him: "Nobody seems to know your company. . . . Nobody is working for you, whereas all of the other companies have many people who are recommending them and pushing them." He invited the worried executive to pay a visit to G.O.P. chairman Hall. The visit was paid. The Snare man assured Judge Hall that there were no Democrats in his firm's higher echelons and virtually none in the lower. And a few months later, as warrant of their ideological purity, Frederick Snare's six top officers sent the largest donation of their collective lives to the Republican Campaign Committee. They gave, mostly on a single day, \$7500 — more than they had given for the past fifteen years added together; it represented a thousand per cent increase in their annual party contribution.

But this show of affection for the G.O.P., warming though it surely was ("I would like to get those often," said Mr. Mansure. "It would come in helpful."), came late — as did Snare's hiring of a public relations man recommended by the administrator. A deal had already been arranged whereby Snare would be permitted to do almost all of the work on the Nicaro project for half of the one-million-dollar fee. The other half would go to Merritt-Chapman and Scott, a very large construction firm controlled by a spectacular promoter named Louis Wolfson, which had negligible experience in Cuba, was not at the time even eligible to do business in that coun-

try, and lacked all of the qualifications possessed by Snare — with one exception that seemed to make up for all the rest: In Mr. Mansure's familiar words — "I do say that they presented a much better job of selling their wares than the Frederick Snare people did." (Snare was lucky at that; at one point the National Lead Company, prime contractor on the project, tried to have the entire contract awarded to Merritt-Chapman, which would then "enlist the assistance of Frederick Snare Corp. in the construction work.")

In view of the results, no one will question Merritt-Chapman's salesmanship — when they wanted something from Ed Mansure, they knew enough to go through Bill Balmer, Chicago's Silver Fox; but some uncertainty remains as to what exactly were their wares. They sent no personnel to the Nicaro construction site and had only one full-time employee in the Havana office. They were somewhat more active on the New York end, where purchasing was done and where, according to *Fortune*, hundreds of thousands of dollars worth of materials for Nicaro were bought from Merritt-Chapman subsidiaries — but even this part of the operation was carried on mainly by Snare personnel.

It is not unusual in Chicago, or in New York or Boston or St. Louis, for desirable contracts to be given to the politically deserving, or for large payments to be made for little effort; and we must expect that when local politicians come to Washington they will bring many of the customs of the City Hall or the State House along with them. For Ed Mansure, bred in the ways of city politicking, the months of heavy pressure and counter-pressure preceding the final Nicaro deal did not seem outrageous or even out of order. He knew that by any rational measure Snare should have the contract, but he had never learned to take a stand on that kind of principle. He had his differences with G.O.P. chairman Hall, but at a basic level they understood one another perfectly; both knew from long profes-

sional experience the arduousness of financing political campaigns, and both accepted the imposed conditions. It was the Snare executives, with their blind reliance on reputation and ability, who tried Mr. Mansure's patience. It took them so long to recognize the elementary fact that their hopes lay not in their credentials but in their checkbooks.

When, at length, the Frederick Snare executive paid his respects to Leonard Hall, the latter brought up the insurance policies that would be required for the Nicaro project. The businessman recalls being asked "whether we would be inclined to place this where it would do the most good." Grown enlightened and somewhat desperate by now, he "assured him [Hall] we wanted to work with him on this and would do anything within reason." Snare proved as good as its word, and thus provided Ed Mansure with a chance to show Washington how matters like insurance were handled back in the wards of Chicago.

When it came time to select a broker for the Nicaro insurance, in the middle of 1954, Mr. Mansure made a little speech to the Snare man about how unfair it was to throw so much business to the East when there were perfectly good Americans out there in the Middle West, virtuous, meritorious and eager for a chance at it. Mr. Mansure asked himself, "Why should we go to a company that has been working against the present Administration's coming into office?" And finding no reasons whatever, he informed the Snare executive that one William Balmer of Chicago would be glad to assist him in locating a deserving Republican broker.

Now, by one of those fortuitous strokes that brighten municipal politics, just a few weeks before this conversation, and all unbeknownst to Mr. Mansure, William Balmer himself had gone into the insurance business together with Edward F. Moore, chairman of the Cook County Republican Committee.

By December, a group of five bids submitted for the Nicaro insurance had been rejected by GSA, as being "garbled," and Balmer and Moore were privately notifying Cuban insurance representatives in New York that they (B. and M.) would be appointed brokers for the Nicaro project, and might be able to swing some business this way or that. (The prediction must have sounded convincing, for a Cuban company that was later to be awarded the Nicaro workmen's compensation coverage entered into a side arrangement with the brokers whereby Balmer and Moore would share in the profits from this policy.) Sure enough, in May, 1955, Mr. Balmer's spunky outfit, now celebrating its first birthday, was named broker. Three months later, Administrator Mansure told a Senate committee: "I want to say we have had no dealings with the firm of Balmer and Moore, or whatever the name of the firm is. We don't even know there is a firm like that in existence."

The mystery of what Meritt-Chapman and Scott had to do to earn its \$500,000 construction fee is as nothing next to the mystery of what Balmer and Moore was supposed to do to earn its \$40,000 brokerage fee. As the work was all being done in Cuba and under Cuban law there had to be a Cuban broker in on the job, Snare officials themselves couldn't think of any particular service that Balmer and Moore could conceivably render their company. Moreover, to make absolutely certain that they were not diverted into workaday brokering, the Balmer firm delegated its "servicing" duties as brokers to a Cuban firm, owned by the very group that had been selected principal underwriter for the insurance. The Cubans took this unusual assignment without pay. Mr. Balmer himself, when asked, seemed unclear about just what work his company was doing for its money, except that it was all quite time-consuming.

Finaglings of this sort appear on the national scene with fair regularity, exotic imports from the metropolises and provinces where they abound, and usually they are arranged by the

same experienced hands that have been fixing up such jobs back home for years. (Some of the loyal party men who were given charge over the nation's internal revenue offices during Mr. Truman's time played a variation on the scheme by selling insurance to people with tax troubles; the latter were found to be a highly receptive group of prospects.) Ed Mansure himself offered a brief explanation of the principles by which insurance — that "by-product of politics," as he liked to think of it — is distributed in Chicago and other cities: "Let me put it this way: An insurance broker is the privilege of the person placing the insurance to select his broker, just like you select your doctor or your lawyer. For many years when I operated a private business, if I wanted to have a driveway across a sidewalk, I had to get my driveway bond through the alderman of that ward, whether he was a Democrat or a Republican. If that alderman did not get that insurance bond, the city council did not approve it, the cutting across the sidewalk — that is what I am talking about." And here is Mr. Balmer on why he and Mr. Moore decided to go back into the insurance business (he didn't like it to be supposed that Mr. Mansure's position within a gravy-serving organization had anything to do with reawakening their interest): "There was a big harbor being built in Chicago. We are widening the sanitary channel. We are spending billions of dollars. We have to be awfully unpopular if we can't get just a little bit of that to brush off on us."

There is something winning about such explanations, some combination of frankness and plausibility, rascally yet honest, that makes it difficult to get very angry at the men who make them. Most people accept the inevitability of what George Washington Plunkitt called *honest graft*, and despite the clamorous exposés in the press and sporadic and sometimes bitter municipal reform battles (the reformers are the ones who usually inject the bitterness, the pros being more philo-

sophical), our citizenry has never been able to hold a long grudge against its crooked mayors and venal commissioners. They are, after all, authentic Americana, prized characters of our folk humor along with dumb cops and wise bartenders. Like a father who comes upon his three-year-old son perched precariously on the gas range reaching up toward the cookie hoard, we scold loudly, possibly spank, and smile a bit to ourselves. They are ingratiating devils, and for all their trickery, we accept them with the wry tolerance with which one accepts one's own minor vices; we treat them with the resigned good humor of Mr. Dooley, who said: "Well, it seems to me that th' on'y thing to do is to keep pollyticians an' businessmen apart. They seem to have a bad infloonce on each other. Whiniver I see an alderman an' a banker walkin' down the sthreet together I know th' Recordin' Angel will have to ordher another bottle iv ink."

Benjamin Franklin observed that there is no kind of dishonesty into which good people more easily and frequently fall than that of defrauding the government. As anybody who has filled out an income tax form can attest, stealing from an abstraction is not at all like other kinds of stealing. Since most of us have succumbed to the temptation to cheat authority in one way or another — fixing a ticket, paying off an inspector, adding a deduction — and don't mind bragging about it, we find ourselves in a sort of complicity with our town's professional fixers. Furthermore, local politicians have their attractive as well as their grimy side. Having built their careers on doing favors, after a time the doing of favors becomes second nature. The Snare executive was surprised that at their first meeting Mr. Balmer did not ask for anything; instead he described how useful he could be to Snare in Chicago. This was no doubt in part tactics, but it was also custom.

Having no mind whatever for policy, the bosses are obliged to concentrate on people, and the people on whom they con-

centrate — the foreign-born, the off-colored, the dispossessed of most everything but their vote — while able enough to recognize self-interest when they encounter it, can also recognize a piece of kindness. They know perfectly well that the politicians who play up to them every other autumn are probably making a little something on the side at the taxpayers' ultimate expense — but the exploitation will be directed against the affluent "others," while the favors they may expect are present and personal. They have shown their appreciation more than once by voting back to office a candidate fresh from the penitentiary. "Single-minded concern for honesty in public service," writes historian Richard Hofstadter, "is a luxury of the middle and upper classes. The masses do not care deeply about the honesty of public servants unless it promises to lead to some human fruition, some measurable easing of the difficulties of life. If a choice is necessary, the populace of an American city will choose kindness over honesty, as the nation's enduring Tammanys attest."

Reformers, on the other hand, have often been dealt hard blows by the public whose interests they were attempting to safeguard. In any chase, we may respect and admire the pursuer, but it is the pursued who draws our sympathy, and when he has been captured and degraded, he seems a far more human creature than his persecutor. Who, in the past twenty years, has ever warmed to the sound of Thomas Dewey's voice? Our emotional identification with the underdog (assuming he is only a thief, and not some detestable nonconformist), along with the inbred national distaste for inquisitors, has played hob with worthy men's political fortunes. Here is Mencken on the post-Teapot Dome 1924 election, which Coolidge won by a 10-million-vote plurality, while Senator Tom Walsh barely scraped through: "There is juicy material for the political pathologist in these facts, for the Hon. Mr. Walsh is the man who uncovered Fall and forced out Denby, and the Hon. Mr.

Coolidge is the man who did more than any other, by public bull and private wire, to bring that business to wreck. I say nothing of the Hon. Mr. Wheeler, the foe of Daugherty. The Hon. Mr. Wheeler was beaten so badly that little remains of him save a grease spot. . . . What does all this mean? That the people of the United States are *not* against robbing the government. I suspect as much. More, I have suspected it for years. Yet more, I have argued it for years. Who, indeed, can recall a time when the act was actually dangerous — as dangerous say, as spitting on the sidewalk or carrying a bottle of wine to a sick friend?"

As middle-class values blanket the land, as the Carmine De Sapios come out of the shadows and, in meticulous dress and with serviceable diction, make speeches on civil rights, our feelings toward political machines and the men who tend them will no doubt harden. But even then we may allow ourselves a sneaking sympathy for those who, like Tammany Hall's George Washington Plunkitt, tell us outright, without shame or undue blather, "I seen my opportunities and I took 'em." Even when such men wax righteous, it comes out like a wisecrack — as the time that Administrator Mansure boasted of his GSA record to his Congressional critics, ". . . we are proud of the fact that we have completely stamped out influence-peddling."

In city and state politics where a candidate will say pretty much anything, no matter how false or foolish, as long as some other candidate has said it before him and it does not offend a minority group, it is refreshing — if a bit difficult to follow — to listen to Mr. Balmer voice his earnest distress over the way civil service regulations have been interfering with his operation in Chicago. He complained that even after promoting Ed Mansure to the top GSA post, he was able to settle only five or six of his supporters in the Chicago GSA office, and intimated that it was time for another civil service reform: "I do think that probably the Democrats would agree, I am darned

sure they would . . . if we had lists and prepared them, that I could go to the Congressmen and these others that were in there and say, 'Here is a group of men that you have on the roll. How many of these men . . . are you actually interested in,' and we could work out an arrangement here that wouldn't hurt anybody and it would be friendly with everybody and we could get a little something. We are not getting very much."

Friendliness is the key here — of course Chicago Democrats would agree to Mr. Balmer's proposal. Although they must go through the motions of battle at election time, our local politicians have no heart for war. They are not idea-mongers after all, and have more to lose by making lasting enemies than to gain by temporary victories; one of the main charges brought against Administrator Mansure was that he had kept on the GSA payroll all of the hacks who had infested it under Mr. Truman. Democrats and Republicans in America's towns and cities differ mainly in nomenclature. Like the Sforzeschi and the Bracceschi, mercenary bands that carried on all the wars in Italy in the first quarter of the fifteenth century, our local politicians manage to keep their encounters as bloodless and indecisive as possible. Wars only become nasty when the protagonists believe in something besides staying alive.

Here, to sum up, is Bill Balmer on Republican-Democratic relations in the Cook County wards: "We get along pretty well. We get along all right. We don't have much trouble. I think that five of the largest insurance agents and brokers in the entire Middle West are Democratic ward committeemen. I, however, have a lot of relationship with them and we get along fine. There is the sanitary district of Chicago, for instance. There are three Democratic members on the board and six Republicans. . . . They get about a third of the insurance . . . and our companies get two-thirds of that one particular body. Now, that is unfortunately one of the few Republican agencies we have left in Illinois. The Demo-

crats have almost all the rest of them. But that is the way we work and we get along fine. We don't have any difficulties whatever."

When the foot soldiers of politics encamp in the nation's capital, they come equipped with the old friendships — and often the old friends in the flesh — that sustained them back home. Since they are anything but snobs, and since they prize loyalty above all virtues, they are not quick to see or to admit that what seemed such fun in the clubhouse may be out of place around the White House. They are like golfers who cannot understand why their wives give them dirty looks when they tell their uproarious locker-room stories at a dinner party.

The patron saint of ward politicians is Harry Truman, a democrat who managed to retain national eminence without giving up a single low acquaintance. When Ed Mansure was criticized for his Chicago associations ("I wish we had a dozen Bill Balmers in Chicago," he told a reporter), he invoked the previous President, an adherent of another party but of the same creed: "I stand by my friends," declared Ed Mansure. "I felt about Balmer the same way Harry Truman felt about Pendergast." ("He was my friend and I was his," then Vice President Truman said at the funeral of the Kansas City machine boss in 1945.)

Mr. Mansure had special cause to revere the memory of President Truman. The latter had remained staunchly by his side-kicks through a series of scandals that destroyed the Reconstruction Finance Corporation, shook Internal Revenue offices across the country and brought his own name into disrepute. When he was compelled to dismiss a crony, it was a painful experience. "I want you to know," he wrote to J. Howard McGrath in 1952, shortly after his inauspicious career as U. S. Attorney General had been ended, "that my fondness for you has not changed one bit. Political situations sometimes cause me much pain. I am ready if at any time in the future you be-

come interested in public service to do anything I can for you. I will go all out."

But Edmund Mansure's national career was punctuated with a curt formal note from Mr. Eisenhower — who saluted him by his surname. (After he had signed his resignation letter "Ed.") As the former administrator cleared his effects out of the office which had once housed Albert Fall, he was left with a single injury, a single complaint: "My own team did not back me up."

As long as American political life has its source in the patronage-stocked waters around the local courthouse, strange-smelling fish will continue to make their way upstream to Washington. Our local politicians by and large operate according to what Veblen called "retail-trade standards." Since America's cities began their astonishing growth in the middle of the nineteenth century, the counters in the game of urban politics have been, to name only the more respectable ones, insurance policies, construction contracts, franchises and permits of all sorts, advance information about promising real estate developments, and sinecures for hangers-on.

Wherever possible, offices are let out to those who can accept existing standards without discomfort, are at home within the going organization, are not disposed to be troublemakers, obstructionists or spoilsports or, in general, to take things too seriously, and will pay their annual party assessment — roughly two and one-half per cent of their salaries — with a smile. If they show an incidental interest in doing their public jobs, that can be forgiven. Out on the hustings, organization candidates eat heartily of national dishes to the extent that their digestions permit, shake the hands of anyone within reach, and promise pretty much whatever comes to mind, nourishing the electorate on, to use Walter Lippmann's listing, "half-truths, lies, ambiguities, evasions, calculated silence, red herrings, unrespon-

siveness, slogans, catchwords, showmanship, bathos, hokum and buncombe." Once established in office, they observe, insofar as feasible, the rule that Samuel Pepys received from his patron, the Earl of Sandwich: "It was not the salary of any place that did make a man rich, but the opportunity of getting money while he is in the place."

Every Congress has its complement of these hearty specimens who conceive of their office, with humility, as a chance to do good to those of their fellowmen who do good to them, and to put indigent relatives on the federal payroll. The attitude was more pronounced in the eighteen-sixties when, with Congress at its ethical nadir, a Cabinet officer expostulated, "You can't use tact with a Congressman! A Congressman is a hog! You must take a stick and hit him on the snout!" Some decades later, when President McKinley appointed a postmaster at Concord, New Hampshire, who was suitable to that state's Senator, the latter, heretofore a foe of the Administration, vowed his eternal allegiance, and philosophized: "What are postmasters for but to get senators with?"

The average run of Congressman has risen over the years along with general standards of public deportment, but patronage has not been banished — after all, there is a rough kind of democracy in a system which enables poor men as well as rich to buy political support. When a new Administration takes office, loyal party workers line up for their rewards — and rewarded they must be: they are deserving; more, they are indispensable. Bill Balmer may not have carried Illinois for General Eisenhower in 1952, as loyal Ed Mansure contended, but he helped mightily, and was not a man to be slighted when he sent along a protégé for "a good government job." In such cases, the Administration can only pay its political debts with the hope that the protégé will draw his salary in peace, get into as few scrapes as possible, and not embarrass the party in an election year.

Over the past century, three Administrations have borne such embarrassment beyond the ordinary lot. Presidents Grant, Harding and Truman were different men in many ways: Grant had character but lacked political intelligence; Truman had reasonable portions of both; Harding had neither, but was the best-looking of the three. We do not usually choose Presidents for their outstanding minds, no more, as Lord Bryce pointed out, than the greatest Roman Catholic is chosen to be Pope or the most brilliant man in the Anglican Church is made Archbishop of Canterbury. What these Presidents had in common was the human and endearing flaw of indiscriminating loyalty that will forever warm their memories and stigmatize their regimes. In Samuel Hopkins Adams's admonitory words at the end of *Revelry*, his novel about the Grant Administration, "Friendship in politics undermines more principles than fraud, and gratitude is a worse poison than graft."

No one has ever, with proof, impugned the pecuniary integrity of any of the three — or indeed of any President before or since — but it is granted even by their admirers that when it came to personal relationships, their judgment was shaky. General Grant, though not formally trained in ward politics, was a natural. As one to the manner born, he challenged the masters in his knack for choosing low friends, ennobling them, relying on them as they milked their offices, and then defending their honor to the bitter end. To think of his Administration is to think of General John McDonald and the Whiskey Ring. Nor will the shade of Warren G. Harding ever be rid of the company of Fall and Denby, Daugherty and Jess Smith. Poor President Harding, who in 1921, told newspaper critics, "I believe in Harry Daugherty. I think he will make a great Attorney General," and in 1923, shortly before his pathetic death, confided to William Allen White, "In this job, I am not worried about my enemies. I can take care of them. It is my friends who are giving me trouble."

Like Mr. Harding, Mr. Truman did not take to heart Machiavelli's counsel that "The choice of a prince's ministers is of no little importance." Gregarious to a fault, he welcomed into his official company as jolly a crowd of well-met hangers-on as was to be found in any Kansas City saloon, and the pages of his Administration are blotted with the names of Major General Harry Vaughn ("You say what you want about him," Harry Truman told Newbold Morris, who spent two frustrating months of 1952 in Washington trying to investigate corruption, ". . . but Harry Vaughn is still my friend"), of T. Lamar Caudle and Matthew J. Connelly, of five-percenters and influence-peddlers who owed their rise in life to their talent for telling ribald stories. (The five-percenter who really works at his job may be thought of as the small businessman's representative to the federal government. As Senator Paul Douglas put it, ". . . a good popular definition of 'small business' is one which does not have enough money to keep a permanent representative in Washington.")

Reviewing the careers of the Vaughns and Jess Smiths of this world, clownish men who, as though acting out one of their own practical jokes, find themselves hosted in respectable halls, one is tempted to dismiss them as Carlyle did the feckless Prime Minister of France, Cardinal Archbishop Loménie de Brienne: "Flimsier mortal was seldom fated to do as weighty a mischief. . . . Let us pity the hapless Loménie; and forgive him; and, as soon as possible, forget him." We should, indeed, be able to forget our politicians all the more easily, since their mischief has not been all *that* weighty; in the history of villainy, the five-percenters are of piddling account — like Frederick Snare's contributions to the Republican Party.

The harm such men do is roughly proportionate to their ambitions, and these are infinitesimal. Albert Fall brought some disgrace on the Harding Administration, but he did not create its malformed character; Warren G. Harding would have

been no better a President if he had preferred bridge with his wife to poker with the boys. Harry Truman, on the other hand, was not such a bad President despite his taste in cronies. It is not, after all, easy for any man to be a politician in a democracy and remain a hero — as Admiral Dewey learned to his befuddlement — and considering his background, Mr. Truman made a remarkable showing. To return even to the unlamented Edmund Mansure, his docility toward Bill Balmer did not prevent him from saving GSA's paper clips and so getting a commendation for good housekeeping from the Hoover Commission.

Still, having allowed this much, it gives one a queasy feeling to have to write off political parasitism as a necessary cost of doing the nation's business, as shop-owners must write off their periodic gifts to municipal inspectors and to policemen's orphans. As the affairs of government keep getting bigger (Ed Mansure had custody of 9 billion dollars in U.S. assets) favoritism becomes more than a matter of dispensing income to the doubtfully deserving; its soiled thumbprint may show up on national policy as well. The clubhouse-keepers may find themselves transported to sensitive areas where they are not equipped to do much good and can, through sheer inertia, do harm beyond their petty filching. "Where the sugar is, you will always find the flies," RFC head Jesse Jones observed — the flies who are there only for a lick of sweetness, with never a thought that they might make somebody sick.

The Man Who Did Not React to Pressure Very Well

A favorite Washington alighting place of the politically deserving in the past decade or two has been the federal regulatory agency.* Its hospitality is extensive. In addition to a salary

* There are several dozen such agencies in existence; six of them because of the breadth of their responsibilities and the way in which these have been exercised or mislaid, have drawn most attention. They are, in order

of \$20,000 a year and whatever prestige still goes with the title of commissioner, the appointee finds that he has access to a mine of good things. As the personnel director is wont to tell the new office boy, his job is what he makes of it. Here he will have an opportunity to show his good nature to chums back home, his good manners to the powers around Pennsylvania Avenue and Capitol Hill, and his sound judgment to vice presidents of the industry he is helping to police. New acquaintances and old will vie to take the burdens of policy-making from his shoulders, and given an ordinary share of prudence he can leave office after a term or two with the satisfaction of having made many more friends and debtors in politics and business than he had dreamed possible back in the clubhouse.

The roster of agency officialdom, present and past, holds some distinguished names, like those of William O. Douglas, James M. Landis and James L. Fly, but they are lonely as star players in summer stock. The regulatory commissions, those quasi-independent, quasi-judicial inventions of a government whose attitude toward business is in constant flux, have more often been put in the charge of persons of quasi-ability, and not always that. In part, this has been a natural consequence of patronage — men whose main qualification for a commissioner-ship is their devotion to their political betters do not often have other qualifications; in part, it has been by design. Federal Communications Commissioner Richard A. Mack was, so to speak, the accident of a union of politics with policy.

Richard Mack was made into a commissioner by President Eisenhower in 1955. He was brought to Washington to replace Frieda Hennock, whose seven-year term on the FCC had been enlivened by her criticisms of the networks and their satellites and her efforts in behalf of such profitless causes as

of age: Interstate Commerce Commission, Federal Trade Commission, Federal Power Commission, Securities and Exchange Commission, Federal Communications Commission, and Civil Aeronautics Board.

educational and ultra-high frequency television. This record did not make her the darling of the industry (though she was by all odds the most attractive-looking commissioner in FCC history) and she could not expect much support from that quarter in her try for reappointment. Nor, in 1955, could she draw on much political backing of importance. Obligated by statute to fill her position with a Democrat, the Republican Administration followed that rule of political tactics which says that if you can't give a job to a loyal man on your side, then give it to the most unprepossessing figure you can find on the other side. By this standard, Richard Mack was a shining choice. He was undistinguished to a fault, and could be depended on to bring no glory to the Democratic Party. In addition, he was from Florida, a state which had gone for General Eisenhower in 1952, was destined to be his again in 1956, and where a nominal Democrat was as likely as not to be an Eisenhower Democrat. And so, in Miss Hennock's angry words, she was "kicked off the Commission unceremoniously because Commissioner Mack was so badly needed on the Commission."

Richard Mack's career up to the time of his national debut was modest. On receiving a degree in business administration from the University of Florida in 1932, he became an insurance salesman; then a salesman for a wholesale house, then a credit manager for the General Motors Acceptance Corporation. He was working for a fertilizer and feed company in Miami — still as a credit manager, which was by way of becoming his life's speciality — at the time of Pearl Harbor. As a reserve officer, he was ordered to active duty and spent most of the next five years in the Pentagon, departing finally with the rank of lieutenant colonel and no prospects to speak of.

But fate was, at last, kind. The colonel was making \$125 a week as office manager for the Port Everglades Rock Company in Fort Lauderdale when, in 1947, he was tapped by his employer, an old friend and a power in Dade County politics, to serve on

the Florida Railroad and Public Utilities Commission. The salary was only \$7500 a year ("I must confess that throughout my career I have not been what may be called a moneymaker"), but it was an auspicious transfer for a man whose future on the paths of commerce did not seem radiant. Richard Mack's outstanding qualification for the state job appears to have been his affability, and as commissioner, he made more friends than ever. It was what he was best at. He won reelection twice, was put in as a vice president of the National Association of Railroad and Utility Commissioners, and when he was called, or sent, north in 1955, he carried with him the good wishes and affectionate regard of the entire Florida Congressional delegation and all the state's newspapers. He was looked on by some knowing Floridians as a future governor or Senator. The sociable young fellow (he was in his mid-forties when he arrived in Washington) who was always tanned from golf, tennis, boating and fishing, had clearly settled himself in a more compatible trade than that of credit manager. Blessed with a congenital congeniality, he was a man whose fortune it was to be used.

That a person of Mr. Mack's easy disposition should have found his way to the overseership of so lush an estate as American radio and television is one of those bitter little jokes that the cynic's god likes to play on a democratic citizenry. Having decided that the best thing to do with the national airwaves is to give them to a group of businessmen so that they can then rent them out to other businessmen for advertising, America has humorously vested the power to dispense its multi-million-dollar favors in seven administrators most often chosen for their parochial reliability and catholic inoffensiveness.

The criteria by which applicants for TV channels are judged are loose and variable; the opinions of the staff examiners who hold lengthy hearings on each case are frequently overruled; and the commissioners need show no particularly good cause

for overruling them. Their decisions, Senator Paul Douglas has noted, are commonly made "in an atmosphere of pressure, influence, favoritism, improper deals and corruption." (For window-dressing, the commissioners have on their staff opinion writers or "rationalizers" whose job it is to set down reasons after the fact to explain why their superiors voted the way they did. This saves the commissioners from the kind of blooper committed by the RFC director who defended a loan to a Reno hotel known to be in the control of gambling interests in these spontaneous words: "I would say if these people go there to get divorces, they should have the facilities of a fine hotel.") Beset by favor-seekers, unsupported by any solid body of regulations which might save a frail official from collapse, the administrator-judges are compelled to lean heavily on their own characters.

Placed in this demanding situation, what could have been expected of Richard Mack, the perennial protégé, who in the custom of local politics had made his way upward by the grace of more consequential individuals than himself? Even among his unglowing confreres, his was a dull light. He was the kind of man to whom a Florida politician could safely write, after Mack had been named commissioner: "I hope that you will not be unmindful of the fact that you received this appointment through the cooperation of the Republican organization in Florida and Washington, and that you would not knowingly take part adversely to the friends who were helpful to you." There are officials who would be enraged by so open a demand for special attention, so condescendingly phrased — but not Richard Mack. As another of his patrons said of him, ". . . ordinarily Mr. Mack is not the kind of fellow to take issue with you in a controversy of that kind [the awarding of a television channel]. . . ." The last thing he desired was a fight. For many years he had been caught in a dreary round of low-paying, unprestigious jobs, until in his late thirties he discovered

that the personality which was not worth much to a credit manager was at a premium in Florida politics; now, not only was there suddenly a place for a man like him, but a remarkably high place. He was a commissioner!

Alas, almost from the beginning, his commissionership was to prove uncomfortable. Where Ed Mansure, an experienced hand at political give-and-take, could hold his own with the best of them and even enjoy it, Richard Mack found that it was all rather too much for him; his reputation for compliance, unimpeachable though it was, cost him dear. "They bothered me," he said of his constantly importuning Florida friends. And "I do not react to pressure very well." His experience on the FCC, in Faulkner's image, was "like losing your maidenhead through some shabby inattentive mischance, such as not watching where you were going, innocent even of pleasure, let alone of sin."*

Richard Mack owed his final, joyless loss of innocence, or of that part of it that remained to him after seven years on a state regulatory commission, to a dispute over which of four appli-

* For all his sociability, Richard Mack had none of that sense of fun about the game of politics that distinguishes our old-line politicians like Bill Balmer, and perhaps saves them from anxiety. They enjoy what they are doing. Here, for example, is one Jerry Carter, who served on the Florida Railroad and Public Utilities Commission along with Mr. Mack and liked to boast that he had been attending Democratic national conventions since 1912, describing his campaign technique: "So I got up and made a very bombastic speech prophesying great things for Florida, and then I said to them — I said, 'Now my friends and fellow citizens, I am only going to make you one promise. The only promise that I feel that every man, woman and child within the sound of my voice will have confidence in my keeping, and that one promise is that I will be there on payday.' Four years later, I went back to the people and made more bombastic speeches about the future of Florida and reminded them of the promise that I made, and I said, 'Now my friends and fellow citizens, I want to assure you that I am one cheap, ordinary politician that is entitled to your vote on the grounds he has kept his promise,' and then I reminded them of that promise and I said, 'I want to assure you good people that I have kept that promise, that I have never missed a payday.'"

cants should be licensed to run a new Miami television station worth, conservatively, one million dollars. An FCC examiner held six weeks of hearings into the case in the summer of 1954; in March, 1955, he handed down his decision—a strong recommendation in favor of Colonel A. Frank Katzentine, a prominent Miami radio-station owner. This took place before Mr. Mack was turned into an FCC commissioner, but some years earlier, he had sent a letter to the FCC, supporting Colonel Katzentine's application; he wrote it because the colonel had asked him to and he had not been trained to refuse small requests from influential Floridians.

Nonetheless, early in 1957 the FCC reversed its examiner and gave the channel to Public Service Television, Inc., a wholly-owned and -controlled subsidiary of National Airlines. Mr. Mack voted with his three Republican colleagues on the commission against Colonel Katzentine—whose operation of station WKAT, he had assured the FCC six years before, was “a credit to his community and to the state of Florida.” Now, in 1957, Mr. Mack felt differently. “. . . the past record of operation of his radio station, as shown by the evidence, left doubts in my mind as to how he would conduct the operation of a television station.”

That the Republican commissioners should not have been generously disposed toward the colonel was understandable; he was an active Democrat, who let the world know of his intimate friendship with Senator Estes Kefauver, Vice President Nixon's 1956 opponent and as un-Republican a Democrat as the Senate then held. But why should Mr. Mack, in the light of his avowed esteem for Mr. Katzentine, his membership in the Democratic Party and the examiner's report, have come out on the side of National Airlines? A provocative question, and one that was to plague him in the months before his ejection from the FCC in 1958. But soon it was narrowed down to another question, of more serious personal implications: What

part was played in Mr. Mack's conversion to the cause of National Airlines by a prosperous Miami attorney named Thurman A. Whiteside?

Whitey Whiteside and Richie Mack had known one another since boyhood and been close friends since college, as had their sorority-sister wives. "We were like brothers," said Mr. Mack, and like the brothers in Hollywood films of the 'thirties, one of whom was upright and rather colorless and played a musical instrument, while the other, likable scoundrel that he was, trod the primrose path to Sing Sing, their temperaments and their fortunes stood in sharp contrast. But it was not a difference in attitude toward the law that set them apart. Where Richie Mack was soft and genial, a man who would crumple visibly under a Congressman's charges,* Whitey Whiteside, smart and aggressive, treated the Congressmen to the same fast-talking brashness that had brought him prosperity back home. While Richie was doing his credit managing after the war and being hopefully pleasant to people, Whitey, according to committee investigators, was building up a reputation in Florida as a "fixer." He rejected this "insidious statement" with heat, but conceded that he was not the kind of lawyer who had much occasion to set foot inside a courtroom or to participate in litigation. Whatever services he rendered his clients, by the mid-

* *Newsweek* gave this melodramatic description of the climax to his appearance before the Congressmen: "He placed his hands, palms together, in front of his face, as though in prayer; his eyes glistened and beads appeared on his forehead along the line of his receding, brushed-back hair; his once-ruddy and tanned face seemed to turn a strange purplish under the unrelenting lights." An aide had to assist him from the room. The committee chairman, without knowing that Mr. Mack had been under psychiatric care in the early 'fifties and was destined for a more severe breakdown in the aftermath of his coming trial for conspiracy, was moved to add while castigating him, "I feel sorry for you." His trial ended in a hung jury, and he was too ill to appear at the retrial in October, 1960, when Thurman Whiteside was acquitted of conspiring with him to rig the Channel Ten award. Some months later, Mr. Whiteside committed suicide.

'fifties they and his substantial business and real estate holdings were bringing him \$130,000 a year.

At a time when Whitey was distributing his money around in nineteen or so bank accounts, his old friend was, to quote Richie himself, "having a hard time making ends meet." So it was only natural that Whitey should loan money to Richie — even though General Eisenhower had told the country in 1952 that "He who goes a-borrowing goes a-sorrowing." He loaned him a good deal of money over a period of twenty years. Richie would call; Whitey would send along a check; and sometimes Richie would pay him back, usually in cash. Since Richie kept no records and Whitey's records, which indicated that the debt balance was only \$250 in February, 1958, left something to be desired, the exact amount that changed hands remains hazy. Mr. Whiteside's estimate was that it came to around \$10,000, and speaking of himself in the third person, he said this demonstrated that he had "the milk of human kindness in his heart."

In the words of an Agriculture Department official who got into trouble in 1960 for taking loans from grain storage operators, "It is not uncommon for friends to loan money." If Mr. Whiteside had been, say, a grocer or a plumber instead of an ambitious Miami attorney, the credit he advanced to his old friend would have redounded to his own credit in heaven, and that would have been the end of it. But as Mr. Mack observed, their relationship was no secret throughout the state; nor was it any secret that, as one Floridian put it, the new commissioner found it "pretty hard to slam the door on a friend." When National Airlines was seeking ways and means of advancing its television interests, it turned to Thurman Whiteside for precisely those reasons. "I knew that Mr. Whiteside and Mr. Mack were good friends," the National Airlines go-between — yet another dear friend of Mr. Whiteside — granted after a half

hour of hedging. "I knew that quite well. And it probably influenced my selection of him."

The approach to Mr. Whiteside was made after the examiner's report on the Miami station had been completed and the record was closed — but one might hope that Mr. Mack's mind was still open. Mr. Whiteside, for reasons of his own not wishing to become attorney of record in the case, refused a fee, but in August, 1955, a month after Mr. Mack took office, he was telling his old friend, the new commissioner, what a good job Public Service Television, Inc., would do in Miami. (A few weeks later, perhaps in a desire to be close to Richie, Whitey obtained permission to practice before the FCC. Richie, for his part, showed his fraternal feelings by hiring an associate of Whitey's to be his personal assistant in Washington.)

The Katzentine interests took Mr. Whiteside's entrance into the case to heart, and tried to persuade him, in a manner which he later charged resembled blackmail, to release Mr. Mack from a pledge which the latter was rumored to have made to vote for Public Service, and thus give it a sure majority. The politically knowledgeable Colonel Katzentine, sensing that things were not going his way, had been busy deploying forces on other fronts as well. In addition to meeting personally with Mr. Mack, he asked several acquaintances whom he believed to be on good terms with the pivotal commissioner to put in a word with him, until the scene was as full of close friends as a Friday night smoker. One of them recalled: "It seemed like every week that went by Mr. Katzentine called me and asked me, he said, 'Goochie, what have you done for me today?' And then I would call Mr. Mack." Mr. Katzentine also contacted four Democratic senators about his problems and seriously contemplated bringing a complaint before Vice President Nixon.

It has never been a secret that the guardians of our regulatory agencies are open to off-the-record approaches from interested parties — lawyers interceding for clients, Congressmen for

constituents,* mutual friends for one another — and both the Katzentine and the National Airlines groups were operating as circumstances demanded and as tradition permitted. Just as in another age a socially aspiring lady made sure to leave her calling card at all the right houses, those who seek the recognition of government today cannot afford to neglect any source of power, be it friendly, hostile or indifferent. The examiners' reports, fact-filled documents though they are, do not make for exciting reading, and are much easier to shut up than an interested businessman or politician; in the 'fifties, the FCC commissioners overruled their examiners two-fifths of the time. Such being the situation, the Channel Ten award would probably have been glossed over as an incidental oddity of the democratic process except for further revelations concerning Mr. Whiteside's beneficence toward Mr. Mack:

"If it is a crime for a friend to talk to another friend in high public office for and in behalf of a friend," protested Thurman Whiteside, "then this is my first notice or knowledge of it." He did have a point, despite his syntax. On the merely *quasi*-judicial federal commissions, such chats between friends are commonplace; our commissioners are spared some of the harder sacrifices of judgeship. What drew special attention to the Whiteside-Mack relationship was its lopsidedness. Whitey was the unstinting giver, Richie the unresisting taker, and the giving and taking were consummated in unorthodox ways. Mr. Mack was probably exaggerating even his own proven charm when, referring to Mr. Whiteside's favors, he boasted mildly,

* Several Congressmen own shares in home-state radio and television outlets. Representative Oren Harris, who conducted the Mack hearings, was found by Committee Counsel Bernard Schwartz to have accepted a twenty-five per cent interest in an Arkansas TV station under very favorable terms (only \$500 down) around the time that he became chairman of the House Interstate and Foreign Commerce Committee. The station thereupon received large sums of credit from a bank and from RCA, as well as FCC approval, theretofore withheld, to increase its power. Representative Harris sold his interest after it was made public.

"There are other people in Miami that would have done the same thing for me."

What Whitey did for Richie in January, 1953, for example, was give him a one-sixth interest in an insurance company doing a million-dollar-a-year business. This transaction took place around the time that Mr. Whiteside was representing a client before the Florida Utilities Commission, on which Mr. Mack was then serving; after the commissioner received his unrecorded interest, Mr. Whiteside sold insurance to a trucking company that was subject to his friend's jurisdiction. Between 1953 and 1957, Mr. Mack received about \$10,000 in what Mr. Whitehead called "earned income" — purportedly based on a rather complicated formula determined by the accounts that the two of them brought into the firm.

Mr. Mack, although conscious of receiving the money, was surprised to learn during the Congressional investigation that he had earned it. All he had ever done for the company was to furnish it with a readily obtainable public list of the state's bus and truck operators — and as he was not a broker, it would have been illegal for him to accept insurance commissions anyway. Mr. Mack thought all along that the \$10,000 represented dividends on his non-investment and declared it as such on his income tax. (" . . . think of the happy idea of receiving dividends and very large ones, too, from stock one hasn't paid for!" coos Laura Hawkins to the compromised Senator Trollop in *The Gilded Age*.) His name was listed nowhere in the company's books — it was emphatically an oral agreement. As a matter of fact, just why he was given the money seemed to be as great a mystery to Mr. Mack as it was to appear to investigators later, but he was no more apt to question a present from Whitey Whiteside than a five-year-old would be to question one from his Uncle Freddy from out of town: "If Mr. Whiteside had given me \$20,000 on which he paid the income tax, I think I would have taken it. . . ." Still, the commissioner was

surprised, even disconcerted, to learn from the newspapers in February, 1958 — after Congress had begun to investigate him — that Mr. Whiteside's insurance agency had sold a large policy to no other than Public Service Television, Inc., the recent Channel Ten victor.

Whatever notions Richard Mack may have gathered about the workings of capitalism — and they should have been euphoric — were reinforced soon after he was installed in Washington. One day in January, 1956, without his lifting a finger in labor or a dollar in investment, his one-sixth interest in the insurance company was transmuted into sole proprietorship of a corporation of his very own. He learned of his change of fortune as he was accustomed to learning of such matters: Mr. Whiteside told him.

"Well now," a Congressman inquired, you have a one-sixth beneficial interest in a firm doing a very substantial volume of business, one from which you have drawn almost \$10,000 over a period of a very few years, and you are suddenly told that regardless of that interest, you are no longer to receive any payments of any sum. Does that not just slightly stimulate your interest and your curiosity as to why?"

Mr. Mack replied, "No, sir; it did not."

A less fatalistically inclined man might have found grounds for curiosity. The new corporation, whose nominal president was one of Mr. Whiteside's secretaries, had no assets of any kind; all it had was a name, Andar. And Mr. Whiteside's explanation that the change was necessitated by some bookkeeping difficulties was vague even for a man whose theories of accounting seemed at moments to have been derived from Al Kelly, the double-talk specialist:

CONGRESSMAN MOSS: In other words, the bookkeeping system is amazingly flexible? You may select at will the account to which you will charge any item?

MR. WHITESIDE: I would think so.

CONGRESSMAN MOSS: There is no fixed policy nor clear system employed in the keeping of the books?

MR. WHITESIDE: I think we have a fixed policy that serves our purposes. (Laughter.)

Still, Mr. Mack's faith, if not his good work, was rewarded. He received \$4350 from his new corporation, of whose activities and officers he was equally ignorant. About half of this sum was a brokerage commission that Mr. Whiteside had earned for selling an insurance policy to one of his own companies. Mr. Mack's corporation took in another \$500 when Mr. Whiteside bought a kitchen for \$2100 and sold it for \$2600. And the balance came from some mortgages that Mr. Whiteside took over.

Could not Mr. Whiteside have found a more direct way to express his brotherly feelings for Mr. Mack — for example by giving him the money outright instead of funneling it through a make-believe corporation? To this possibility, he replied: "It was my desire to put Andar, Inc., in a position of earning some money and put it on its feet and thereby assist in the repayment of the loans that I have been making to Mr. Mack through the years." Could he not then, with less bother, simply have forgiven the debt? No. For to his mind, he explained, "There is a vast difference between a gift and placing a lifelong friend in a position where he can earn money on an income basis."

To persons who, noticing that Andar earned only what Mr. Whiteside donated to it, had trouble following his distinction, this much was clear about the Mack-Whiteside duct: The commissioner was deeply and deviously in the lawyer's debt; the lawyer represented interested parties before the commission — albeit informally — and gained therefrom; and in at least one important case, the commissioner voted as the lawyer wanted him to vote. It is not necessary, outside of criminal court, to go further. One may readily allow, as Mr. Whiteside insisted, that he "did not say to Mr. Mack at any time, 'Now

you are obligated to me, you have to do what I want you to do' ”; people do not say such things to one another, except in turn-of-the-century melodramas. It is even possible to believe that Commissioner Mack was sincere, if not on strong psycho-analytic ground, when he assured his interrogators: “Long before I cast my vote in the Channel Ten case, Mr. Whiteside told me he had no interest in it. It follows that even had I subconsciously tended to favor Mr. Whiteside — which I know in my own mind I did not — this could not have been a factor when I voted.”

But it is all beside the point. Neither was convicted of having done anything criminal — and even that is beside the point. Unconsciously or not, but let us say unconsciously, Richard Mack allowed himself to be placed in a position where it was impossible to maintain a semblance of official integrity. Now “appearance of impropriety” takes on meaning and force. Here was no Peter Strobel trying vainly to separate his New York business from his Washington career. Commissioner Mack was the final incarnation and certification of Richie Mack’s affability. The FCC represented a change of climate, not of character. Turning such a man into a federal official, a *quasi-judge*, was an example of low-grade politicking at its most absurd, a joke on the nation and a tragedy for the man himself.

Irregularities Among the Regulators

De Tocqueville wrote: “. . . when the central government . . . has issued a decree, it must entrust the execution of its will to agents over whom it frequently has no control and whom it cannot perpetually direct.” Nowhere has this elementary fact had greater or unhappier expression than in our regulatory agencies. Even if Richard Mack had never known Thurman Whiteside, even if he had been permitted to serve out his term of office unnoticed and unsullied, he would still have made a hapless commissioner. The patronage system by which

he attained office is a kind of insurance policy against excessive competence.

The odd commissioner of unusual ability and diligence and some opinions, like Frieda Hennock, tends to make enemies. During Leland Olds's ten years on the Federal Power Commission, he tried, with some effect, to regulate the gas and oil industries rather than be regulated by them, the more normal FPC condition. Congress recognized his efforts by defeating him for renomination. One of President Eisenhower's superior appointments to the FPC was William R. Connole, who alone among his colleagues in the mid-'fifties gained a reputation for consumer-mindedness by attempting to keep down natural gas rates. When his five-year term expired, the Administration replaced him with a former FBI agent. Louis J. Hector, who quit the Civil Aeronautics Board in disgust a few years ago, commented in 1960: "Anyone who has spent much time around regulatory agencies in recent years . . . has been disheartened by the general low caliber of the top personnel and the general lack of feeling for ethical problems, or even the simple proprieties."

From their earliest days the agencies set up to control big business have been put in the charge of big businessmen and their minions. In 1940, an ICC commissioner looked about him and concluded that the only reason the railroads didn't buy the ICC outright was that it wasn't worth buying. "It seems almost invariably to happen," Senator Burton K. Wheeler commented sadly, "that when Congress attempts to regulate some group, the intended regulatees wind up doing the regulating." These temporary expatriates have by and large managed to avoid being touched by scandal, but their regulating has, to say the least, been uninspired. In his appointments to regulatory bodies, President Eisenhower (when he wasn't raiding state commissions) acted on the principle despaired of by

Senator Wheeler — that men from the industries to be regulated would make the best regulators. A telephone lawyer was made chairman of the FCC, and a former commissioner who had left to become vice president of a broadcasting company in 1937 was brought back to the commission, where he did nothing to offend his late employers. A utilities lawyer became chairman of the FPC. Corporation lawyers were named to the FTC and the NLRB. And a lawyer for brokerage houses was made chairman of the SEC. A California Congressman remarked that the Administration was “sending the foxes to guard the chickens.”

There are many jobs, in government as in business, where a reasonably well-intentioned, fairly stable person without notable gifts can do as well as the next fellow, and possibly with less frustration. But being an official in one of what Senator Douglas calls the “action-laden” areas of government, a place where large favors may be dispensed to or withheld from well-armed economic interests, is not among them. Where contracts are let, where taxes are collected, where loans are granted, where rates are fixed, where licenses are dealt out, where raw materials are purchased or allocated, where subsidies are awarded — there heavy influence is naturally focused.

In particular, those agencies which have the task of ministering to a single large industry — the Federal Communications Commission, the Federal Power Commission, the Interstate Commerce Commission, the Civil Aeronautics Board — have from their beginnings been subject to all degrees of pressure, now from competitors for valuable rights, now from whole industries determined to block competition. All political scientists agree that regulation breeds pressure groups. They may use the genially insistent telephone call, the bottle or case of whiskey, the country club invitation, the bait of a high-paying job, or any number of political inducements. Subject to

bright promises and to black threats, men who would doubtless have made superlative guards at the Library of Congress have proved to be indifferent or untrustworthy guardians of the national wealth.

Attempting simultaneously to assist and to restrain a group as muscular as the natural-gas producers or as fraternal as the airlines in a country that mixes capitalist myth, oligopolist reality and welfare-state ideals with a carefree disregard of consistency is not an easy matter. To try to do the job by the vague standards and *ad hoc* procedures which are all that our commissioners have to guide them is like being at the wheel of a souped-up car on an unmarked road with soft shoulders, sudden curves and blind intersections. When we entrust the vehicle to puny Phaetons who won their licenses back at the local fun fair, we are asking for accidents.

This much can be gathered from the disorderly experience of the badly constructed Reconstruction Finance Corporation which, during its heyday in the 'forties, gave out many hundreds of millions of public dollars in some undefined "public interest." As one of the minor influence-peddlers of the time described the situation in the course of explaining his work: "You have a situation in the RFC where there are no standard practices. There is no group before whom you appear at one time. There is no rule by which this loan is granted or that one is not, that you can judge yourself by. It is a matter of rule of thumb in each individual case. You have got to take each individual case, understand the business, and be able to translate it from its most favorable aspects, because what you get in the RFC and I imagine some other agencies is the most cursory kind of an examination on the part of most of the employees." To cope with the pressures set free by variable rules and high stakes demands an exceptional administrator-judge. But as ex-Commissioner Hector warns, "An instrument of government which only great men can run is a dangerous trap."

The combination of nondescript commissioners, high-powered industries and blurry guidelines has troubled our regulatory agencies since they were invented. One noteworthy side effect — like the superficial rash which bespeaks a serious disease of the blood — is the commissioners' tolerance for the *ex parte* or one-sided conversation of the type that caused Richard Mack anxiety. In the Channel Ten case, and in other cases, he freely gave advocates of particular channel-seekers the private, off-the-record audiences which they sought. This injudicious practice, cherished by influence-peddlers of all eras, was at the time a common one around the FCC and remains, as one observer phrased it, an "occasion for sin."

The commissioners, who are supposed to be assisting and promoting the same industry that they are judging, find informal talks essential to carrying on their awkward role. Since, obviously, industry representatives know more about their business than anybody else, they make incomparable sources of information for their Washington overseers — and are not above pressing the advantage of their expertness. Dr. Barbara Moulton, who resigned from the Bureau of Medicine of the Food and Drug Administration in 1960, after five years with its New Drug Branch and Drug and Device Branch, gave the following description of the way the drug manufacturers deal with bureaucracy:

"Recent discussions before another congressional committee as to the impropriety of private conversations between the Federal Power Commissioners and industry representatives have interested me greatly. In the Food and Drug Administration such conferences are the rule rather than the exception. When a drug firm submits a new drug application for an important new drug, it is common practice for their representative to call the Chief of the New Drug Branch a few days later and inquire which medical officer is handling the application. The name is promptly supplied. The medical officer then receives a call to

the effect that the firm wishes to send representatives in to discuss the application, and he is expected to make such an appointment promptly. If he does not do so, perhaps for the very valid reason that he has not as yet studied the application, he is reprimanded by his Chief as uncooperative, and the appointment is made anyway by a clerk.

"A day rarely passes without several such conferences in the New Drug Branch. If the firm anticipates no difficulties, they send a single representative. If the medical officer has suggested over the phone that the new drug application may not be completely satisfactory, four or five men may appear in his office to argue the case. He may also be invited to attend a medical meeting sponsored by the firm, at which the drug in question will be discussed by the clinical investigators. Frequently, at such meetings, the investigators who have been lukewarm or cold about the merits of the drug are not invited to participate.

"If the medical officer handling the new drug application is still not satisfied with the evidence of safety, the company will frequently make an appointment with the Medical Director, who has not seen the data on the new drug application, to present their side of the story to him. I have known such conferences to be followed by an order to the medical officer to make the new drug application effective, with the statement that the company in question has been evaluating new drugs much longer than the medical officer and should, therefore, be in a much better position to judge their safety.

"No one in the Bureau of Medicine would deny the value of occasional conferences with industry, particularly about technical details in the new drug applications. However, when a company representative spends three or four days a week in the New Drug Branch offices, arguing each point step by step, wanting to know and being told exactly where the application is at all times and which chemists and which pharmacologists are assisting in its review, I submit that the medical officer re-

sponsible for making a wise decision in the interest of the public is suffering under an almost insurmountable handicap."

Thus, the regimen that keeps the kidneys functioning may have a devastating effect on the liver. "Every commissioner I have known well," says Mr. Hector, "if he took his job seriously, has either tried so hard to be a good administrator that he jeopardized the judicial character of his decisions in litigated cases, or he tried so hard to be a judge that he has failed to acquaint himself in sufficient detail with the industry he regulates." The earnest commissioner may find himself in the position of the cop on the beat whose duty it is to get to know all of the neighborhood's shady characters—and who gets to know them so well that he has to be transferred to Staten Island.

Speaking of the *ex parte* tradition, one member of the FPC said, "I oppose and regret the necessity of some of these men making representations about pending cases, but we have to be realistic enough to realize it is going to be done. They are a general pipeline for information, and they would not be here if that were not true." The commissioner was referring specifically to talks which he and two of his colleagues, including then FPC chairman Jerome K. Kuykendall, held with Thomas G. Corcoran in October, 1960. Mr. Corcoran, who made his reputation as a young New Deal braintruster during President Roosevelt's first two terms of office and went into private practice in Washington in 1941—immediately improving his income tenfold—had been hired by the Tennessee Gas Transmission Company to get a higher rate of return on a proposed pipeline investment than the 6¼ per cent recommended by the FPC staff. After listening to Mr. Corcoran in private, the commissioners decided to approve Tennessee's construction of the new pipeline, and to leave the rate open for the time being—precisely what he had recommended.

This was not the first such service that Mr. Corcoran had per-

formed for Tennessee Gas — in 1957, for example, he helped them win a rate increase of \$8,816,000 from the FPC. Between 1954 and 1959, the company paid him \$408,110 in fees — most of which it sought to pass along to its customers as higher rates. (Although Mr. Corcoran was not attorney of record in the 1957 — or 1960 — achievement, the gas firm told the FPC that his services were “well worth the fees.” The FPC staff did not doubt this, but took the position that “the company has failed to meet the burden of explaining and supporting the nature and character of the service performed.” Tennessee Gas had better luck with its \$173,613 fee to Thomas Dewey’s law firm, which the FPC did allow it to pass on to consumers.)

Now, as Mr. Corcoran explained to a committee of quasi-critical Congressmen, as though he were lecturing a backward high-school civics class (but occasionally winking at the chairman, the House’s ranking natural-gas champion), there was nothing illegal about his tête-à-têtes at the FPC: “I think I know as much about the Federal Power Commission as most people,” he said, “and I’m telling you it’s the law.” Nor were such meetings in any way unusual. As the natural-gas company executive who hired him remarked, “It’s just common knowledge that everyone talks to the Commission whenever they get the opportunity.” (The gas man didn’t like to describe Mr. Corcoran’s activities as having to do with “influence”: “I’m trying to wrack my brain for another word,” he said.) Everyone understood what a second company executive meant when he said that if he hadn’t personally met with every man who served on the Power Commission, “I question whether Tennessee [Gas] would be where it is today.” One commissioner held 264 private conversations with twenty-two representatives of natural-gas companies in less than two years on the FPC — all of them, to his mind, proper. It turned out just as Tommy Corcoran knew it would; the Congressional committee staff not only cleared him of any impropriety, but concluded that his

talks with the commissioners were “necessary . . . sanctioned by law and Commission practice.”

The legality of the conversations having been affirmed, what may be expected when a Corcoran meets *in camera* with a Kuykendall? On one side was a man who for thirty years had been exercising his intelligence, his wit and his personality in the highest reaches of government; whose annual salary came to perhaps ten times that of an FPC commissioner; whose knowledge of regulatory law was extensive and who could expound it prodigiously; the man whom C. Wright Mills nominated as “the Number One figure in the short history of the new entrepreneur” — the fellow who serves the powers that be by “fixing things” between business and government.

On the government’s side of the desk was an official who, like Ed Mansure, like Richard Mack, got his job by being somebody’s protégé. Jerome Kuykendall was named to the FPC on the recommendation of former Governor Arthur B. Langlie of Washington, one of General Eisenhower’s advisers in the 1952 campaign; his training, like Mr. Mack’s, was on a state public service commission; his social tastes led him to the Kiwanis and his policy tastes were those of a private-power man; under his guardianship the FPC was acknowledged to be the servant of the power interests, their main bulwark against the Justice Department and the consuming public. (The natural-gas industry was granted 506 million dollars in “temporary” rate increases that ran for years because the FPC just didn’t get around to reviewing them.) It was no match. Even if Mr. Kuykendall had, for some reason, been inclined to take exception to a gas company desire, he was not the man one would pick out of a group to stand up to Tommy Corcoran.

The basic imbalance in the government-business relationship, in the view of Don K. Price, dean of the Graduate School of Public Administration at Harvard, is that “a weak organiza-

tion is dealing with a strong one . . . the government is usually the weaker in terms of the strength of its career personnel and the discipline and cohesion of its hierarchy." He attributes this weakness to "the loss of political innocence that came with the republican revolution — the unwillingness of the electorate to leave the organization and personnel of government to be controlled by traditional authority and by a civil service organized under its shelter."

Whether or not this diagnosis is altogether convincing, there is no question that for almost a hundred years now, to young America a "career with a future" has meant going into business; in the past fifty years it has meant big business. Except for time of war and the briefly exhilarating early years of the New Deal, the main attraction of government service has been as a training ground for the corporation or the large law firm — unlike the situation in England, where the civil service has rank, tradition and an esprit de corps to sustain it. Westinghouse was able to announce during its antitrust difficulties that it had working for it "several outstanding lawyers, former members of the Department of Justice, Antitrust Division," and most large companies could make a similar claim. At the opening of the 1961 price-fixing trial of twenty-one oil companies in Tulsa, Oklahoma, the presiding judge was moved to remark on the fact that the six attorneys at the government's table were confronted by ninety lawyers, many of them quite eminent, for the defense.

The commissioners of our regulatory agencies, when they are not actually emissaries from the regulated industries, tend to be men who would prefer private enterprise. Having never quite (or not yet) made it, they find themselves confronted by the Corcorans who not only have made it, but have made it extravagantly. It is understandable if these members of a bureaucracy which they disdain by rote sometimes feel uncomfortable about supervising the businessmen whom they so admire.

It is hazardous to carve up a government official's record, attributing this portion to ethical softness, that to incompetence, this to political or economic advantage, that to honestly held belief. Does the constable treat the village's biggest landowner with more consideration than he treats the laborer in the fields because he is ideologically in favor of feudalism or because he can always count on a cup of hot coffee and a bun in the landowner's kitchen or because it is simply easier, more *natural* for him that way? One may only surmise. But when the constable sees that if he minds his manners and keeps order among the working classes, he might wind up as the squire's gamekeeper, at twice his present pay, then unpropertied citizens have every reason to be suspicious.

Politics around the country is used largely as a supplement to a law practice or a realty concern, and this tradition has been carried upward, with refinements, to the federal level. A certain number of our public servants can always be depended on to view their careers in government as a way station on their journey to serious success, as a junior high school of life, as a kind of purgatory where they may prepare themselves for the heaven of big business. Food and Drug Administration doctors may, if they speak softly, wind up as drug-company experts, while Department of Agriculture officials can get onto the board of directors of a fertilizer company. Their attitude is in keeping with that of the Senator who opposed an 1872 bill to regulate the activities of former government employees on the grounds that if a clerk "can gain more independent livelihood by the use of the knowledge which he acquired in government employ . . . one person at least would be saved from its pernicious influence." Young lawyers especially have found that Washington is a good place to get to know things and people; the law schools send quite a number of graduates into government each year, but the most energetic and ambitious do not stay very long.

Now, with all respect to the New Frontier, ambition and en-

ergy are not the two qualities that spring to mind when one thinks of our regulatory agencies; still, for its higher-level employees, as for officials elsewhere in government, the prospect of moving from a public bureaucracy to a private one is not easily put out of mind. There are heartening examples before the commissioners. Such as Edward T. McCormick who after a long career with the SEC, culminating in seventeen months as chairman, resigned to take a \$40,000-a-year post as president of the New York Curb Exchange. Or the farsighted FCC chairman who made an arrangement before he left office to enter a lucrative law practice with an attorney who at the time was representing a TV channel applicant before the commission. Or the chairman of the Interstate Commerce Commission who resigned to become vice president of the Chesapeake and Ohio Railroad.

In the 'forties, RFC employees had a way of turning up as executives of firms which had been granted substantial RFC loans — like the \$10,000-a-year official in Boston who reversed an unfavorable decision of an examiner, recommended a 9-million-dollar loan to a watch company, and a month after it was approved went to work for the company at \$30,000 a year. This type of transfer *cum* promotion, though rarely so blatant, is still fairly common, and once a switch is made the ex-commissioner can without half trying become a fresh source of pressure on the current commissioners. Several SEC chairmen have reappeared in Washington after their resignations, representing clients before their colleagues of yesterday. (Few men are afflicted with the delicate ethical sensibilities of President Taft, who could not bring himself to practice law after leaving the White House because he had appointed sixty per cent of the country's lower federal court judges. Uncle Joe Cannon, exasperated with the President's unwillingness even to pay a political debt, grumbled: "The trouble with Taft is that if he were

Pope he would think it necessary to appoint a few Protestant cardinals.”)

It is possible that the commissioners are taken on by big business for their technical know-how, just as it is possible that Westinghouse hired former Attorney General Herbert Brownell to appear in the price-fixing cases because of his legal acumen and that General Electric retained Clark M. Clifford, President Truman's close adviser, to deal with claims arising from G.E.'s conviction because he could add and subtract so well. But even allowing that ex-officials often get splendid positions for reasons other than their inherent ability, how sternly may we censure them? After all, the commissioner who retires from government in his fifties must take a job somewhere, and what is more natural than that he should find one in the field that he has been presiding over and presumably studying for the past several years? Before leaving the FCC in September, 1962, fifty-eight-year-old John S. Cross — Richard Mack's replacement — sent letters to all three broadcasting networks and to several dozen other firms offering his services as a “consultant” for \$5000 a year plus expenses. Could we reasonably have demanded that Mr. Cross throw away his four years of high-level experience and go back to whatever he was doing in 1958?

In the prose of Robert Moses, “Who shall fix by statutory metes and bounds what makes a former official valuable to those outside of bureaucracy who might employ him? . . . Is all contact between public and private life to be the province of graduate students and rank amateurs? Shall we create sea-green incorruptibles by fiat, textbooks and osmosis?” Sea-green is a scary color, yet the fact remains that the hope of future employment in a regulated industry is not designed to bolster the independence of the regulators — particularly as they must scout their new jobs before they leave office. “. . . If you are

an unsound man," Thurman Arnold warned, "you will never get a job in the industry."

With luck and association, the bureaucrats' affinity for the businessmen can turn into something more touching. Their opportunities for associating are plentiful; they can hardly be avoided if the commissioner is conscientious. What then is more natural, more human, than that occasionally between a commissioner and a businessman, as between a milkman and a housewife, the arrow of endearment should strike, the seed of friendliness take root. John C. Doerfer, once chairman of the Federal Communications Commission, told exactly how this can come about in his involuntary letter of resignation from the FCC in 1960. His job, he explained, required "day-to-day contact with many industry people. A large number of these contacts eventually ripen into social acquaintances and sometimes friendships, which, despite appearances, do not imperil the integrity of either the government official or the member of the industry."

The particular ripened contact of Commissioner Doerfer's which appeared more imperiling to outsiders than it did to him was that with George B. Storer, Florida owner of several radio and TV stations. The relationship went back at least to 1958, when chairman Doerfer and his wife were Mr. Storer's guests for a week of work and fun in Miami and Bimini, an island resort in the northern Bahamas. The chairman suffered several bad hours at the hands of Congressional committee counsel Bernard Schwartz over this trip as well as over other hospitality he had accepted from broadcasters, but by 1960 — a Presidential election year, as he was to be reminded with a jolt — he had recovered enough to let Mr. Storer fly him and his wife to and from Miami in his (Mr. Storer's) private plane for a six-day stay aboard his (Mr. Storer's) yacht *Lazy Girl*. "I don't think an FCC Commissioner should be a second-class

citizen," commented Mr. Doerfer as he left Washington after his resignation, thereby interrupting his important investigation of television payola. "So long as I do not violate any law or endanger my independent judgment, I think I am entitled to select my social acquaintances."

Every government official of any consequence finds not long after taking office that he can, if he permits himself, become a popular social figure and the beneficiary of what Mr. Doerfer called the "American amenities." Not all of them have an opportunity to make friends with yacht owners, but no one need go without cigars, whiskey, good lunches or a weekend of golf at somebody else's club. The record for free vacations is probably held by the Truman Administration official who spent three weeks in a luxury Florida hotel which had recently been granted a large RFC loan. When T. Lamar Caudle was U. S. District Attorney in North Carolina, he used to leave the side window of his parked automobile open, and he was always agreeably surprised on his return to find the nice presents which had been dropped in by folks who wanted to make friends.

Gift-giving and entertaining in pursuit of serious objectives is an old American custom, both in business and government. President Grant openly enjoyed the hospitality of Jay Gould and Jim Fisk. When the railroads were frankly out to dominate the law, around the turn of the century, they distributed passes to everyone within hailing distance of a legislature or courthouse. "If anyone to whom a pass was tendered refused it," reported Mark Sullivan, "the case was apt to be that of an unusual temperament or a most extraordinary conscience. Far from being seen as a bribe or an impropriety, or a thing to conceal, the pass was regarded more nearly as an honor." The passes soon became so common that one railroad president remarked that they were like the schoolboy's definition of salt — "something that spoils potatoes by not putting it on."

Today, the income-tax laws have helped make lasting gifts and memorable weekends as available to officeholders as the railroad pass once was; and like most merchandise in our gaudy economy, there is a wider selection to choose from. As with all forms of public relations, the giver can never be certain that the bread he casts upon the Washington waters will return (the capital code, according to *New York Times* Washington Bureau chief James Reston, is: "It is all right to accept expensive favors just so long as you don't pay them back"), but he can hope that when the time comes his thoughtfulness will be remembered, either consciously or merely as a warm sensation in the official's stomach at the mention of his company's name.

Some varieties of businessmen need such warm feelings more than others, and tend them more closely. Billie Sol Estes, the Texas operator who built up a paper fortune in fertilizer-tank mortgages until somebody noticed in 1962 that there were no tanks, just mortgages, tried to keep his dream empire going with \$245 suits and \$30 shirts for Agriculture Department officials, large campaign contributions to Congressmen, loans here and there, and the like. Senator Douglas says that he will never forget the income tax officials in the Truman Administration who observed "that it was extraordinary how the people from whom they had accepted entertainment, under the idea that this entertainment was being offered purely in the spirit of friendship, would after a time suddenly appear as attorneys for clients in cases before them."

In the unexciting field of government ethics, as Sherman Adams had impressed upon him, nothing attracts notoriety like expensive gifts and extensive entertainment. Yacht cruises to the Bahamas, home appliances and fur coats, whether vicuña or natural royal pastel mink, make colorful copy; they are easier to understand than Thurman Whiteside's accounting procedures; and they are the closest thing to outright payoffs that we have left to us in these cautious times — at any rate, they are easier

to pin down at the moment of receipt than other expressions of good will. When our seven astronauts were offered furnished houses in Houston in 1962, the nation was, for reasons it did not quite manage to put coherently to itself, spontaneously and unanimously affronted, and the deal was fast called off. It was rather as though our last remaining virgin were being threatened by the wealthy brute who had already despoiled all our other daughters.

Such sensitivity is admirable of course, and in a way touching, but it is easy to lose perspective. The campaign fund set up for Richard Nixon by some California businessmen was far from the grossest weed in his political garden, but it was this that nearly choked off his then flourishing young career in 1952. In 1958, Bernard Schwartz—who was responsible for opening up a revealing set of hearings on the play of influence around the regulatory agencies—seemed unable to recognize that there were degrees of importance to his charges, that some, in fact, were not important at all. His tone was as shrill when he told of color TV sets being supplied to FCC commissioners by the networks as when he told of White House intervention with the Civil Aeronautics Board in behalf of a particular airline. In his righteous zeal, Mr. Schwartz thrashed around with the happy abandon of an Anti-Saloon League lady who doesn't much care whether the bottles she is breaking contain bourbon or only sarsaparilla. He went at Commissioner Doerfer for expense-account fudging like a fourteenth-century inquisitor at a captured Albigensian. Frieda Hennock, who had more cause than most to be indignant at the way the FCC was being run, and more experience in its running, brought heavy charges of her own against the Administration and the television industry, but on the matter of gifts she said: "I can't imagine any of these commissioners being influenced by a [color TV] set or a trip or anything else, and I can't imagine all the ills of this industry affected by it one way or the other."

Friendship, we have seen, has its insidious side,* but in Mr. Doerfer's case, his yachting expeditions were only the *expression* of an attitude, not its cause. It is difficult to imagine Senator Douglas, who limits the gifts he will accept to those worth less than \$2.50, being corrupted by a present of far greater value — but it is impossible to imagine him as an FCC commissioner aboard a station owner's yacht for six nights. Had the admiration which Mr. Doerfer showed for the works of George B. Storer extended to the works of Michel de Montaigne, the commissioner might have been spared obloquy. For that worldly philosopher taught that an error should not be regarded merely as a stone on the path which causes one to stumble, but as a warning to mistrust one's own gait and to regulate it. Even after his close call of 1958, Mr. Doerfer's gait remained steady; in 1960, he rested part of his defense on the fact that *Lazy Girl* didn't actually take him anywhere during his recent stay aboard her.

Along with Richard Mack and Jerome Kuykendall, John Doerfer was an alumnus of that apparent refuge for agreeable mediocrity, the state public service commission; this time it was Wisconsin — his patrons being said to include Senator Joseph McCarthy. His judicial posture was not elegant: He explained a vote to block the FCC application of an anti-McCarthy Wisconsin newspaperman in 1953 by saying, "I don't like him and I don't like his views." An accountant by training, a state politician of the second rank by profession, Mr. Doerfer viewed himself as one of the "practical-minded men trying to find practical solutions to the development of various regulated industries in our modern economy." In the mind of a certain breed of government official, being practical means simply being careful,

* Hugh W. Cross, a lame-duck Illinois politician appointed to the ICC by President Truman, had to resign in 1956 when it was discovered that he had gone out of his way to talk to the presidents of three railroads about getting a Chicago passenger haulage contract for an old friend. He conceded that he had been "indiscreet."

and during his seven years on the FCC, Mr. Doerfer met this challenge head-on. He was made chairman of the commission in 1957 because the networks felt that he understood their problems. He did his regulating with harmonious restraint, and by the time of his departure—for an executive position reportedly arranged by Mr. Storer—he had fully earned the epitaph awarded him by a newsmagazine: “He has been a notable friend of the broadcasting industry.”

The stumblings of our regulators over the past decade present a scene not of corruption but of weakness—weak officials, weak institutions and weak laws set up as a counterpoise to some of the mightiest forces in the land. Every one of the agencies has its share of competent, conscientious workers who are allowed to perform responsibly on the technical matters which make up the bulk of their everyday duties. But when, as in the awarding of a TV channel or the setting of gas rates, their decision means millions of dollars to some strong-willed group, then the pressure is on, and in case after case the putative protectors of the public interest have shown themselves unfit or merely disinclined to meet it.

There have been assorted remedies prescribed for reinvigorating our seemingly moribund regulatory agencies—appointing more independent men, redefining the statutes, renovating the entire agency structure; all have merit. But for many years now, like careless rulers auctioning off vital jobs to random courtiers, we have been asking men who have no claim to our regard, nor perhaps to their own, to champion a difficult cause for which they hold little sympathy or understanding. We might have expected that the exertion would prove too much for some of them, and should not be astonished if a few have soiled their uniforms.

Mr. Adams and Mr. Goldfine

Of the official improprieties and indiscretions of recent years, far and away the most rousing was the case of Sherman Adams and Bernard Goldfine. Many of its ingredients were familiar enough — gifts, friendship, favors — but they were served up with piquant sauces and exotic embellishments. The rug that Mr. Goldfine gave, or loaned, Mr. Adams was a \$2400 oriental rug; the coat was not just any coat — it was a \$700 vicuña coat; the \$3098 worth of hospitality to which the businessman treated the Administration official between 1953 and 1958 was expended on \$50-a-day suites at the Sheraton-Plaza in Boston and the Waldorf-Astoria in New York. But even these items, highly publicized though they naturally were, accounted for the least part of the fascination of this twentieth-century allegory: Adams, *The Man*; Goldfine, *The Tempter*; Paperman, *The Bookkeeper*; Cotton, *The Politician from a Textile State*; Payne, *The Senator Who Lost an Election*; Harris, *The Chief Inquisitor*; Sears, *The Harsh, Chain-Smoking Lawyer*; Robb, *The Attorney of Dubious Tactics*.*

The irresistible appeal of the case lay in the principals themselves and their unlikely relationship: A New England Adams sitting at the right hand of a President who had portioned out the powers of the Executive Office like the good boy at the birthday party, keeping the smallest piece for himself, and the millionaire Jew out of an East European ghetto via a Boston slum — these two performing a parody of *Abie's Irish Rose*, written by a member of the Socialist Workers Party. They put

* The allegorical qualities of the Goldfine-Adams drama, I learned belatedly, did not escape *New Yorker* writer Thomas Meehan, who referred to them in his magazine's "Talk of the Town" section of July 19, 1958. Although his cast was smaller than the one above, Mr. Meehan included the names of "Jack Lotto, a former gentleman of the press, now involved in the uncertain business of public relations" and "Representative Hale, a hearty congressman."

on a good show, brimful of intriguing characterizations and inventive incident (including a comical middle-of-the-night eavesdropping interlude), and no playgoer could have left the theater feeling cheated. Yet some may have felt that the playwright's prodigality had perhaps worked against him, obscuring with picturesque detail some of the subtler aspects of the plot.

Despite the dual billing and the normal tendency in such dramas for attention to fall on the seduced rather than on the seducer, on Faust rather than Mephistopheles, Bernard Goldfine ran away with the show. (Mr. Adams, to be sure, took pains not to steal any scenes from him.) Here was that classic character, now a caricature, of American fable — the immigrant who made good. He arrived in this country by steerage in 1897 at the age of seven and a half; took his first job when he was fourteen as a delivery boy for Billy Hand the Hatter in Boston; sold wool remnants until he saved \$1200 and, at the age of nineteen, started his own wool company — “You have to start small, work hard and do what you can”; bought other textile mills during World War I; went into real estate during the Depression; and years before he arrived onstage in 1958 was an established millionaire, with mills in Maine, Vermont, Massachusetts and New Hampshire. To New England politicians, sore beset by the flight of industry to the South, he was a man who deserved cherishing: “If we had two or three more Bernard Goldfines,” said Norris Cotton when he was Governor of New Hampshire, “our New England textile troubles would be solved.”

It was Mr. Cotton who, in the early 'forties, introduced the manufacturer to Sherman Adams, then a colleague of his in the New Hampshire legislature. Mr. Adams recalled his explaining that Mr. Goldfine “had made a great contribution to his community, was an upright and honest citizen, trustworthy and reliable, and had been the means of keeping employment which otherwise that community [Lebanon, New Hampshire]

and the surrounding countryside would have lost by reason of the fact that the textile industry was moving out of New England." (In the practical world, uprightness, honesty, trustworthiness and reliability are necessarily prized less than the final item in Mr. Goldfine's account. If the reason requires clarification, it came in 1962 when the two Goldfine mills in Lebanon were shut down and one out of every four persons employed in the town was thrown out of work.) "There ought to be more people in this world like Bernard Goldfine," said Bernard Goldfine.

In the very first scene of the 1958 drama, however, the hard-work-to-success parable went bad. Like some casseroles that taste fine until one discovers what is in them, success stories do not bear close scrutiny. Though it is by now a commonplace of fiction that poor boys do not become millionaires through their neatness, modesty, politeness, good taste and immaculate dealings (qualities more often reserved for their heirs), newspapermen and politicians are still able to generate shock each time the fact is brought to their attention.

One can recite a success story such as Bernard Goldfine's as an instance of individual initiative triumphant over circumstance — or with the barest shift of emphasis, it can become the smudgy tale of an outsider, a foreigner, taking advantage of his adopted land. Sherman Adams chose the former interpretation. "It is not my purpose," he told the Congressional committee at the outset of his single, fatal appearance, "to come here this morning and to outline for you the success story of a poor immigrant who made a success of his enterprise and of himself. Every member of this committee is perfectly familiar with such stories. They know as well as I the contributions that they have made to American life." But chairman Oren Harris spoke of Mr. Goldfine's career as that of "any immigrant who can and may come to this country and avail himself of the opportunities that are afforded in the United States of America. . . . He

started out as the immigrant boy without anything and is today a multimillionaire . . . but [addressing himself now to Mr. Adams] you do not contend here today, Governor, that because the doors of this country may be opened to an immigrant or any person and that he may come here and take advantage of the opportunities which an American citizen enjoys to become a success, he should be given any unusual liberties or privileges that are not enjoyed by anyone else?" (It is a lesson in semantics to note how words like *American*, *immigrant*, *success*, may be made to serve equally for praise or for derogation.) A few weeks later, with Mr. Goldfine now on the irreversible defensive, another Congressman preached at him the kind of civic sermon — prepared and polished beforehand — that is not often heard outside of grade-school auditoriums during a patriotism play: "Like many other poor immigrant boys, you have great financial success. . . . You have amassed a fortune in this great democratic country . . . but you seem to have failed to fully take advantage of the greatest liberty of all Americans, the right to vote."

The committee used Bernard Goldfine as some managers have been known to use their fighters, with a shrewd eye to the box office and no particular regard either for their man or the sport. Addressing Sherman Adams early in the proceedings and referring to the gifts he had received, chairman Harris declared: "The only interest that we have, and the only interest that we should have, in this, Governor, is what effect, if any, it has had in relation to Mr. Goldfine's treatment before the agencies of the Government. . . ." If the committee had held to that purpose, the ensuing spectacle might have been more orderly, but it would assuredly have been duller; the mine of newspaper copy would soon have petered out. The Congressmen forestalled such a catastrophe by turning their attention from the phone calls that Mr. Adams made on behalf of his friend to the way in which Mr. Goldfine handled his various

businesses and to his character in general. On neither score was he beyond reproach; whether such matters are the concern of the United States Congress, however, is something else again.

Representative Harris allowed a Boston businessman named John Fox, a person who believed that the White House before 1952 was a nest of Communists and that he himself had countless foes in high places and was a victim of several conspiracies, to give vent, in open hearing, to a five-and-ten-cent-store variety of allegations, rumors, insults and innuendoes against the textile merchant, who was one of his accredited enemies. ("He's classically a fox," rebutted Mr. Goldfine, "but I don't want to get even with him . . . I don't believe in an eye for a tooth.")

Then, extending its own franchise, the committee gave itself authority to wander into the tangled Goldfine business empire. It was abetted in its explorations of this lush territory by Roger Robb, a Washington attorney recommended to Mr. Goldfine by Sherman Adams. Mr. Robb, who had served the Administration as a sort of mortician for Messrs. Talbott, Strobel, Mansure and Mack, on hand to put away the outworn appointee with as little mess as possible, seemed to be more concerned with saving Sherman Adams from being embarrassed by Bernard Goldfine than with saving Bernard Goldfine from having his privacy infringed by the committee.* It was he who advised the businessman to answer questions that the latter's own Boston attorney, Samuel P. Sears, deemed irrelevant. When, finally, the counsel of Counsel Sears prevailed, and Mr. Goldfine refused to submit to further prying into his business activities, his legal position had already been undermined and he was set up for a contempt citation.

Mark Sullivan, commenting on the Walsh hearings into Teapot Dome, noted that "it is the experience of all who ever

* A provocative analysis of Mr. Robb's ambiguous role in the case, entitled flatly, "Goldfine Got a Raw Deal" and written by Herbert Solow, appeared in the October, 1958, issue of *Fortune*.

conducted a *cause célèbre* that once the victim is on the rack, once the mills of exposure are set in motion, the materials to keep them going come in from every quarter." As the days of interrogation wore on in the spring and summer of 1958, the felonies and misdemeanors of Bernard Goldfine's long business life were put on parade by the investigating committee. The trail he had left of corporate finaglings, labeling misstatements, mysteriously uncashed checks and so forth demonstrated convincingly enough that Mr. Goldfine was not Boston's tidiest businessman, but their pertinence to an investigation of regulatory commissions and agencies was not always easy to grasp. It was like a long St. Patrick's Day procession, filled out with groups who don't care particularly about Eire but are rung in to make it a more impressive occasion.

In such festivities, there is often a ragtag bunch that appears from nobody quite knows where and causes a commotion along the route until it is humored away by the authorities. In the Goldfine hearings, this rowdy element was represented by Peter F. Mack, Jr., the civic-minded Illinois Congressman who delivered the reprimand to Mr. Goldfine about his sorry voting record. As the committee staff was rummaging over every scrap of evidence it had been able to pick up bearing on the Goldfine enterprises, Mr. Mack danced in with this question: "Mr. Goldfine, is it not true that you were involved in a concealment of assets case in a bankruptcy proceeding a few years ago?" He was referring, it turned out, to an indictment that was made, and dismissed, in 1909, when Bernard Goldfine was eighteen years old.

Even with time out for such diversions, however, the committee had no trouble demonstrating that Mr. Goldfine was a versatile, inveterate and probably compulsive gift-giver to public officials. He gave to governors and to Senators and to their secretaries, to mayors and judges and members of the White House staff; he gave to Democrats and Republicans with

equally good will. "Perhaps I do give gifts to too many people," he conceded in the tones of Thurman Whiteside, "but if I do it is only an expression of my nature. If you will inquire in Boston and in the towns where I have mills, I feel sure you will learn that Bernard Goldfine gives gifts to small people, to unknown people and to poor people as well as to politicians. Perhaps my mistake has been that I did not discriminate against people who are in public life." His secretary, Mildred Paperman, noting that Senators Bridges, Cotton and Payne (whose loss in his try for reelection in 1958 was attributed partly to his involvement in the case) as well as Sherman Adams had shared in what wags began calling Goldfinery, expressed a similar view: "Mr. Goldfine is a very generous man. Mr. Goldfine is very liberal, very generous, very good hearted, whether it is a government official or a little man. It makes no difference."

Allowing that Mr. Goldfine's generosity was fully as indiscriminating as he and his secretary said it was, one must still be impressed with the frequency with which his gifts, loans, hospitality and his friendship found their way to men in positions of power. In 1955, as if to establish his preeminence in this line, he sent bolts of vicuña cloth to every governor in the country. When during his 1952 campaign for reelection, Governor Paul Dever of Massachusetts needed \$400,000 in a hurry, he turned, naturally and successfully, to the textile man, whose claim it was to have "always supported my friends as I could within my means." (During one of his more coherent and believable moments, John Fox told how in the Senate Office Building one day, Mr. Goldfine encountered Senator Joseph McCarthy, whom he had never met. According to Mr. Fox, "Mr. Goldfine reached out and felt the lapel of the senator's coat and he said, 'That is not the kind of coat that a U. S. senator should wear.' The senator, who had never seen Mr. Goldfine in his life before, looked at me and looked at him

and said, 'What kind of coat should a U. S. senator wear?' So he said, 'I will send you one.'") In his insistent generosity, Mr. Goldfine brought to mind those primitive societies which live always under the threat of malignant spirits appeasable only by great feasts; where it is not so much a matter of propitiating the gods to protect one's wealth, as of becoming wealthy so that one may adequately propitiate the gods.

But Bernard Goldfine wanted more from his important beneficiaries than their abstract good will. He wanted to be *friends*, and he collected men of note like the glutton who every time he sits down at the table eats the meal he was denied as a boy. "Frankly, I like to meet important people," he said. "Is that bad? In the country where I was born, it took two or three generations for a poor man to get to know important people. I thought this was something to be proud of. . . ." Partly out of pride, partly by design, he wanted it known, widely, exactly, who his friends were. He was a shrewd man, but spontaneous too; like many self-made men, his emotional needs and his business needs were all mixed together.

Anecdotes illustrating his penchant for advertising his eminent acquaintanceships are abundant. While riding in his car or chatting in his office with one of his conquests, he liked to call a customer and say, "Bennie, you know who's sitting right here — Senator Norris Cotton, an old friend of mine. . . . Say hello to Bennie, Norris." Or else he might take off the gold Le Coultre watch that Sherman Adams had given him, so that a visitor could inspect the inscription on the back — *To B.G. from S.A., Jan. 20, 1953*. When Mr. Adams explained that the celebrated oriental rug was his only on loan, it sounded peculiar (a rug on loan?), but when Bernard Goldfine said that he planned someday, when his friend was done with it, to put it down on the floor of his showroom and tell customers, "This rug used to be in Governor Adams's house," the arrangement suddenly seemed reasonable.

Like the Athenians of Pericles's time, Bernard Goldfine made friends "by performing and not by receiving services," but unlike Thurman Whiteside, he never pretended that friendship was a one-way street; he was not coy about asking favors of his influential friends, nor abashed at having accepted them. Thus, in 1956, he complained to Sherman Adams and to several United States Senators from New England that his realty firm, the East Boston Company, "was being given very harsh treatment by the SEC . . . that we were really being picked on." There is nothing abnormal about a substantial businessman turning to well-disposed officials for assistance in his dealings with some arm of the federal government; it is a carry-over from the way one gets things done at home. "You operate in a state and you have problems," Mr. Goldfine explained to a reporter. "Who do you go to? Why, you go to your congressman or your senator or your governor, not to some schmo." When one has a zoning problem, one refers it to the mayor or the ward boss; when one has a problem involving federal requirements for listed securities, one goes higher. This much is understood. At the Securities and Exchange Commission in 1956, nobody was even mildly unsettled when the Senators from Maine and New Hampshire requested a meeting with the SEC General Counsel in order to inform him that they were "personally acquainted with Mr. Goldfine and held him in high regard." (To fill out our allegory, the meeting was held in the office of Senator Bridges.) It was less usual for the White House, in the person of Gerald Morgan, counsel to the President, to call the SEC and express a personal interest in the case, but again, it was not an act likely to stun a Washington official.

What little pleasure Mr. Goldfine found during his time before the committee came when a Republican member gave him a chance to reminisce about his relationship with John Steelman, President Truman's assistant: "I was at the White House

quite a few times and saw Dr. Steelman. I was more at the White House than I was since Governor Sherman Adams was in the White House." He credited Mr. Steelman with helping him in 1949-1950 when he was seeking an RFC loan for underground parking facilities in Boston: "I had lunches with him, I had dinners with him, right here in Washington, and as a result of that, we got a commitment from the RFC for \$12 million." Although this eager, gleeful recollection was a frank effort to take some of the heat off the Administration, the big-name-dropping was nonetheless very much in character. It came from the same man who in April, 1955, capped an informal chat with the chairman of the Federal Trade Commission about his wool-labeling difficulties by asking the chairman's secretary to "get me Sherman Adams at the White House." The purpose of the call was to tell Mr. Adams, in the hearing of the commissioner, "I am over at the FTC. I was very well received over here. Thanks for arranging the appointment."

How much of his name-dropping may we lay to tactics? How much was an expression of something deeper? It is tempting to attribute Bernard Goldfine's craving after influential friends to a ghetto mentality, some memory in his alien blood of a time and place where the rich Jew bought amiability from officials along with, perhaps, immunity during the next pogrom. (It may help one to resist the temptation by recalling that Billie Sol Estes, who appears to have been in the grip of a similar compulsion, was a Texas-born lay preacher of the Church of Christ.) "I know what it is to have nothing," Mr. Goldfine said, and his early poverty was never far out of his mind; it was, after all, an essential ingredient of his success story — a rich man who forgets the days when he was poor somehow diminishes his wealth, or at least its meaning. Mr. Goldfine surprised reporters by remembering how much he had made at his first job, the bank where he deposited his first dollar, the rent on his first office, and how much the furniture cost. He

even remembered the price of his first coat — “It was worth six dollars, but we paid two and a half.”

Whatever part such memories — natural enough to a man who very early learned the value of a dollar — played in his incessant seeking out of political figures and cultivating them and showing off his own status through them as though they were late-model Cadillacs, it was all endorsed by experience — he *had* made influential friends, and they *had* helped him. When at the conclusion of the Congressional hearings, the committee counsel said goodbye with a quip — “Don’t put me on your Christmas list” — Mr. Goldfine replied, “I might, and if you return the gift, it will be the first one I ever got back.” This was not merely jest; he was voicing a major lesson of his life, a view of humanity that he could not easily cast off. Hardly had he been installed in the Federal Correctional Institution at Danbury, Connecticut, after being sentenced for tax evasion in 1961, than three staff members of the prison were suspended for trying to smuggle letters in to him — the implication being that they, like all the rest, had not returned his gifts.

But in the last, critical trial of his career, those days of July, 1958, when he was destroyed in the political effort to get Sherman Adams, the protections that had served him for fifty years became ludicrous. Accustomed to performing his business manipulations behind a phalanx of advisers (“He doesn’t have a lawyer, he’s got a bar association,” said a Boston attorney), his appearance in the hearing room accompanied by seven lawyers, two secretaries and four relatives struck onlookers as clownish. His entourage required nineteen hotel rooms at Washington’s Statler when they all moved out of the Sheraton-Carlton after the “discovery” by attorney Robb of eavesdropping apparatus apparently set up by a committee investigator and an associate of columnist Drew Pearson. Reportedly on Mr. Robb’s advice, the manufacturer got involved with two public relations men who seemed bent on picturing him as a

figure of fun. (One of them, Tex McCrary, wrote a script which started off with the assurance "YOU WILL BE GREAT" and directed him, at strategic points, to "Drink a glass of water." Reporters had no trouble getting a look at this amusing document.) Having become a Character, he lost whatever sympathy might have been his as a defendant.

Not that he asked for sympathy. Whatever else he had brought from the ghetto, he had left behind the pose of humility, the exaggerated fawning, the smart underdog's supercilious self-debasement before authority. Throughout his time in the committee's witness chair, while his position was plainly deteriorating, he remained obstinate. Despite his troop of legal and public relations advisers, he acted like a man who wanted it said of him, as of Oedipus, that he had gone down not under the slings of others but through his own arrogance.

When Representative Moss asked, referring to a couple of small rugs that had found their way to Mr. Adams, "Then we can assume that they were gifts?" he replied, "You can assume any way you care to. That is up to you, Mr. Moss." When the Congressman said, "You have gone shopping with Governor Adams," he replied, "Well, you call that shopping by going to the tailor? That is up to you." His most defiant and self-damaging moment, again with Representative Moss, who apparently had a particularly irritating effect on him and vice versa, came following a question of whether he had declared his favored Senators' hotel bills as business expenses on his income tax:

REP. MOSS: I think . . .

MR. GOLDFINE: Just a minute.

REP. MOSS: I will not wait a minute. I am . . .

MR. GOLDFINE: That's too bad.

REP. MOSS: I am not asking you to respond now. Will you be silent?

CHAIRMAN: That is out of order. Mr. Moss, you may ask a question.

REP. MOSS: You are offering a defense there that has no basis at all. You cannot shirk the responsibility.

MR. GOLDFINE: I don't agree with you.

CHAIRMAN: Just a minute, Mr. Goldfine, until he has concluded. Then you can have your say.

REP. MOSS: How you determine to pay your bills is your responsibility.

MR. GOLDFINE: That's my business, not yours.

REP. MOSS: Yes, but you are subject to the same laws as the rest of us.

MR. GOLDFINE: That remains to be seen.

In the end, the law was harsh on Bernard Goldfine — not unjust considering all the years that he had slighted it, but far harsher than he had any reason to expect when he was first summoned to Washington. (Although perhaps some intimation of his future reached him even then. "You do not electrocute a man who is charged only with speeding," he said.)

It has been a standard observation for fifty years or more that when a politician is caught taking favors from a businessman, only the politician is punished. Lincoln Steffens protested at the beginning of the century: "Not the politician, then, not the bribe-taker, but the bribe-giver, the man we are so proud of, our successful businessman — he is the source and sustenance of bad government." The situation had not changed by the 'twenties when Secretary Fall was sent to jail for taking the Teapot Dome bribe, but Harry Sinclair, who gave it, was acquitted. And in 1960, Harvard University's Dean Price still found cause to complain: "A case in which a TV station bribes a government regulatory agency by excessive hospitality . . . is automatically considered a proof of the natural sinfulness of politics; it normally leads to a clamor for a more rigid code of ethics for government; it rarely occurs to anyone to suggest that the private business concerned ought at least not be permitted to deduct the costs of such hospitality from its income for tax purposes." Bernard Goldfine is our time's great

exception to this rule. His career ended at the age of seventy in a string of fines and jail terms for contempt of Congress, contempt of court and income tax evasion; government seizure of his assets; and a physical and mental breakdown.

If in the Sherman Adams-Bernard Goldfine relationship the politician suffered from the impositions of the businessman ("You profess to be a close friend of Governor Adams," Representative Mack admonished in his high-minded way. "Yet if you were his worst enemy you could hardly have hurt him more than you have. . ."), the businessman was no less a victim to the position of the politician. "I know there must be reasons why some people are trying to make a mountain out of every mole hill," Mr. Goldfine said in his introduction to the committee, "and I think the public can guess what those reasons are — politics." Who, excepting the Democrats present, could deny the simple truth of it? "Politics cannot stop to study psychology," Henry Adams wrote and Bernard Goldfine learned. "Its methods are rough; its judgments rougher still." He was an incident in a political skirmish, not guiltless by any means, certainly not as innocent as he professed, not merely a bystander or a tourist in Washington, yet demolished not on his own account but in passing.

The great objective was Sherman Adams. Whether the Presidential Assistant was quite as essential to the Administration as reporters kept writing at the time is doubtful — but then history allows few men the distinction of indispensability. There is no doubt that Mr. Eisenhower considered him to be extremely important; he was, by the President's own admission, "the one person who really knows what I am trying to do." As the ranking officer in a staff system that had a larger hierarchy (there were upwards of forty top advisers) with greater delegated responsibility than in any previous Administration, his powers were difficult to estimate — and no politi-

cian dared underestimate them. For it was he who handled the details of patronage which Mr. Eisenhower found burdensome. After the long Republican drought, he was to jobs what Joseph was to wheat. He doled out titles with scrupulous regard for the political proprieties; he was both rewarder and executioner, he gave and he took away. When the President was not in Washington — a considerable part of the time — Sherman Adams served as stand-in. His role and his personality afforded limitless opportunity for irritating not just Democrats, but powerful figures in his own party, particularly those who remained true to Robert Taft. When Mr. Adams's time came, there was rejoicing in several camps.

With the assistance of newspaper feature writers — a breed ever on the lookout for heroes and villains, ever discerning extraordinary qualities in the most ordinary men — the chief deputy became a minor myth, the taciturn, astute, sagacious, frugal, indefatigable Grey Eminence behind an apolitical ruler. Speaking only when necessary, and then smack to the point. Using his own postage stamps on personal letters mailed from the White House. Eating lunch at his desk out of a paper bag. In the surety of his own rectitude, passing cold judgment on the Talbotts, Strobels, Mansures and Macks as they fell by the way. Appearing in public on the run, and then, with his slight frame and keen eyes, looking for all the world like a genuine, thoroughbred New Hampshireman. How hard it was in 1958 to pick out of the entire Administration a less suitable conspirator for so overbearing and unfastidious a fellow as Bernard Goldfine.

Reputations of this sort are given to few in public life, and then mainly to those who manage to keep out of sight of the public. Sherman Adams was like the guest at the party who balances his drink well, regards the company with an elusive half-smile, nods ironically to introductions and leaves behind the feeling that somebody quite special has been there. Unless he

says something. In his job at the White House, the Presidential Assistant was for the most part spared the need to say very much to very many people — and when he finally came forth at the call of the Congressional committee, he made a careful witness. His peak of caution was reached when, after consulting with his attorney about one of Mr. Goldfine's run-ins with the Federal Trade Commission, he said, "Mr. Chairman, my memory is refreshed to the extent that I do not know the details of that case at all."

But now and then during his Washington stay Mr. Adams did allow himself to speak out in public, and the words he uttered never matched up to his mythic image. His platform style was that of the garden variety candidate for Congress, highly moralistic, highly partisan and as original as Cal Coolidge. This knowing politician with a reputation for straightforward speaking said General Eisenhower's victory in 1952 meant that people "were sick and tired of reading in the papers every day about some mischievous rascal trying to steal the gold out of Fort Knox. The people want Ike to clean up the government. . . ." And when the Congressional elections of 1958 induced him to make a rare, full-fledged political speech (prepared with the assistance of an associate who was "one of the most adept men in political semantics I ever knew") he showed all the honesty and wisdom of the editorial page of the *Chicago Tribune*. The charges he brought against the Democratic party were the loss of China, Korea, atomic secrets and Pearl Harbor.

Political philosophy was not Mr. Adams's strong suit. Nor was policy. He was a doer but no planner, a tactician rather than a strategist. Before attaching himself to the Eisenhower contingent in Chicago in 1952 (the year that General Eisenhower reminded the nation that "A man is known by the company he keeps"), his experience on the national level had consisted of a single term in the United States House of Repre-

sentatives. Otherwise, his political career was confined to New Hampshire — as governor and, before that, as a member of the state legislature.

In state politics, as Richard Rovere pointed out in an intelligent character analysis of Mr. Adams,* conflict-of-interest considerations have little relevance. Sherman Adams was sent to the legislature in the first place to see what benefits might accrue to the lumber company he managed. While he was governor, the interests of his small state and the interests of the Goldfine mills met at many points, and it may have been hard for him to shake that collaborative feeling on his move to Washington. He was, observed Mr. Rovere, an excessively provincial, insensitive man, a narrow Yankee villager. He was a Taft supporter who had switched candidates for prudential, not ideological reasons. The salary of \$22,500, plus per diem expenses, that he was earning as Assistant to the President was more than he had ever made before in his life, and it is not impossible that the Waldorf-Astoria held for him the kind of glamour it might hold for any country boy who had learned to say Thank You but could not always bring himself to say No. The privileged position he occupied under Mr. Eisenhower — in and out of the President's office a dozen times a day, impervious to criticism from Congress, accountable neither to press nor to public — deprived him of the kind of political education that might have led him to deal more circumspectly with generous friends.

When we think of Sherman Adams as being a New Englander more in the line of, say, Styles Bridges than Ralph Waldo Emerson, his relationship with Bernard Goldfine becomes less remarkable. But that is not to say that he was another Richard Mack. Granting, as he and Mr. Eisenhower granted, that the acceptance of thousands of dollars' worth of hospitality from a

* Mr. Rovere's article appeared in "Letter from Washington," the *New Yorker*, July 12, 1958, and has been reprinted in his book *The American Establishment*, Harcourt, Brace & World, 1962.

businessman with favors on his mind was, for someone in his position, imprudent, he did not give much of a return on the investment — and it was the return, after all, that ostensibly aroused the Congress and brought both men down.

In December, 1953, the Goldfine mills were the subject of a mislabeling complaint by the FTC, and Mr. Adams, in response to a request from his friend, asked the commission chairman for details of the complaint; the latter complied promptly, and within the week Mr. Adams passed along to Mr. Goldfine the chairman's personal suggestions as to how the case might be adjusted. A few weeks later Mr. Adams's secretary checked back with the FTC to make sure that everything had been settled amicably. In April, 1955, Mr. Goldfine, finding himself involved in another difficulty over the way he labeled his goods, and remembering how smoothly it had all gone the last time, asked his friend to arrange an appointment for him with the FTC chairman. The meeting was held, and in Mr. Goldfine's opinion, "it helped to clear up a bad situation. . . . In my enthusiasm I called Governor Adams at the White House and reported this to him. This was not done in order to impress anybody at the meeting." At the beginning of 1956, Mr. Goldfine again found himself in trouble — this time with the Securities and Exchange Commission, which took belated exception to his failure to file reports on his realty company over a period of many years. And again he appealed to Mr. Adams, who in turn asked the President's Special Counsel to check with the SEC and "find out . . . what the complaint was all about."

Such was the extent of Sherman Adams's exertions on behalf of Bernard Goldfine — not negligible but hardly overwhelming as favors go in Washington. Mr. Goldfine maintained that he received no special treatment as a result. His firms complied voluntarily with the FTC's labeling requirements, he said, and thereby closed those cases; in the SEC matter, he was fined

\$3000 — “If it constitutes preferred treatment, I hope I never get any more of the same.” To his critics, on the other hand, it seemed that his punishment was mild in light of his cavalier attitude toward FTC and SEC regulations over the years. They noted particularly that after Mr. Adams’s show of interest, the FTC did not follow a staff recommendation to bring criminal action against his firms. The issue is moot — or, anyway, as moot as that of whether Harold Talbott’s position helped Mulligan and Company or whether the fact that Whitey Whiteside and Richie Mack were pals helped National Airlines. We can withhold judgment, along with John Doerfer, who said, when he was still associated with the FCC, “Well, if you are susceptible to influence, then an innocent phone call regarding the status of a case could have an effect on a commissioner.”

Mr. Adams’s explanation of his intercession for Mr. Goldfine, like most of his public utterances, showed him at his weakest. It was strangely off the point for a man who had been built up as a model of plain speaking. He pointed out to the committee that Congressmen themselves constantly approach the regulatory agencies on behalf of constituents. “Is there any member of this committee,” he challenged, “who has not made a phone call for a constituent?” It was, he said, “the nature of the system.” True, he was not a Congressman and Mr. Goldfine was not his constituent, but he implied that he was the sort of official who could easily be reached by a needy citizen and that it was a routine matter for him to pick up the telephone and make the sort of call he had made on behalf of his friend. In any case, he declared, “I know of no action requested or taken by me or by any member of my staff with any government official that has resulted in any benefit to him [Goldfine] that he could not have received had he gone directly to the agency involved and he and I had been complete strangers.”

It was not until months after his resignation, when he was

writing his memoirs, that it dawned upon Mr. Adams that "I was not sufficiently aware of the added importance that I might be giving to these inquiries by handling them myself. A call or inquiry from the Assistant to the President was much more likely to cause suspicion of interference than a call from a less prominent White House staff executive. If I had been alert to that fact at the time, I might have saved myself later embarrassment."

Mr. Adams's insight into the power of his position was astoundingly slow in coming — as though a driver were to explain after an accident that it never before occurred to him, in his six years at the wheel, to connect the car's speed with its gas pedal. On the admission of such innocence, one might doubt a man's competence to walk the streets in safety, much less hold a government job — except, of course, that none of it was meant to be taken seriously. It is a discouraging, if sometimes humorous aspect of the national life, as De Tocqueville commented after being exposed to stump orators, that our politicians cannot be prevented from obtruding themselves "with complacency and in all ways upon the public." Their speeches and writings are part of a game they play that goes by rules other than ordinary veracity and common sense, not to mention grammar.

Two years before Mr. Adams was to suggest that what he did for Mr. Goldfine he would do for any fellow American, Mr. Eisenhower told a news conference: "If anyone ever comes to any part of this government claiming some privilege for even as low as an introduction to an official he wants to meet, on the basis that he is a part of my family or my friends, that he has any connection with the White House, he is to be thrown out instantly. I cannot believe that anybody on my staff would ever be guilty of anything indiscreet, but if ever anything came to my attention of that kind, any part of this government, that individual would be gone." This came to be

known as the Adams Doctrine, and though it served well enough for lesser officials, when Mr. Adams's own turn came around the President did his best to abrogate it. He needed his Assistant, he declared, and when he yielded, it was not to any special sense of fitness, but to the pressure of Republican candidates in the oncoming Congressional elections.

Somewhere between the President's inspirational exercise and the bland recollections of his Assistant lay reality. Sherman Adams, one of the most effectively insulated officials in Washington's experience, famed for his behind-door decisions and his inaccessibility, was decidedly not a man whom it was easy for an outsider to get a favor from — and if he was accustomed to arranging for appointments between his friends and the chairmen of the regulatory agencies, this interesting fact did not come out at the hearings. When he did pick up the telephone, the person on the other end, particularly if he were an appointed official, could be depended upon to listen closely. The commissioners, inured though they quickly become to the inquiries and harassments of Congressmen, may be forgiven an impulse to stand up and salute at a call from the top of the Executive Branch. It is to the Executive that they owe their jobs in the first place; the obliging chairman of the FTC, for example, had been recommended for his post by Sherman Adams himself. It is to the Executive that they must look if they aspire to a future in politics or even in big business. And it is the Executive which, through its Bureau of the Budget, must clear their annual appropriations.

Under these circumstances, which have existed in all Administrations, the independence of the independent agencies is distinctly modified, and both businessmen and politicians understand that the most direct route to a commissioner's office may be through the Executive Mansion. Murray Chotiner, a California attorney with close contacts among high officials in the Eisenhower Administration, notably Vice President Nixon,

showed greater respect for this fact than for the theoretical integrity of the agencies when he got in touch with Sherman Adams in the middle of 1953 regarding a case then before the Civil Aeronautics Board. Mr. Chotiner justified his action in this way: "Historically, the Republican Party has been the champion of the small businessman, individual initiative in the free enterprise system. In my opinion the CAB appointees of the President were violating these precepts of the party and I felt it was imperative to call it to the President's attention through Adams, who was his chief of staff." Mr. Chotiner thus viewed the legally independent CAB as an arm of the Executive — and for practical purposes he was not wrong. Mr. Adams responded to his approach by getting guidance from the board on how North American Airlines, Mr. Chotiner's client, might delay revocation of its operating authority for the longest possible time." *

If influential persons outside of government have been tempted to look on the regulatory agencies as branches of the political party in power, officials on the inside have sometimes treated them as tools of specific programs — in the manner of the town mayor who gives his chief of police a list of building contractors who are to be allowed to break certain

* Mr. Adams wrote to Mr. Chotiner:

DEAR MURRAY:

I went over carefully the North American case with the Acting Chairman of the Civil Aeronautics Board. All of the statements which you made to me were confirmed. He pointed out to me that the report, following the examination which is presently under way, will not come to the Board until January. Should North American consider the Board's decision unfavorable, an appeal could be made to the United States circuit court which might delay the operation of the order in this case for as much as two years. The Acting Chairman pointed out that this was so in a somewhat similar case. My understanding is that North American cannot be prevented from conducting its operations until the results of the inquiry are determined by CAB or, if appealed, not until a decision is given by the circuit court.

If there is anything further in this matter that I can do to be of assistance.

With kindest regards,

SHERM

ordinances. The outstanding expression of this attitude in our generation was the Dixon-Yates affair. But the tangle of deceptions in which high Administration officials—including Mr. Adams, the heads of the Budget Bureau and the Atomic Energy Commission and even, inadvertently one suspects, Mr. Eisenhower—became ensnared in their effort to divert TVA power to a private group lacked the public drama of the Goldfine case.

Adolphe H. Wenzell, the reticent investment banker who worked simultaneously for the Budget Bureau and for his Wall Street firm in the promotion of Dixon-Yates, had none of the color of the expansive Boston textile millionaire.* The way the Atomic Energy Commission was used to provide a smoke screen between the private power interests and the rest of the nation did not make for such lively reading—even though it ended in a Keystone Cops rout—as tales of rugs and hotel suites and vicuña coats. The fact that Mr. Adams successfully pressured the SEC to hold up calling Mr. Wenzell to testify while the Dixon-Yates appropriation was before Congress offered poorer fare for newspaper columnists than his telephone inquiries in behalf of Mr. Goldfine—particularly since Mr. Adams, in character now, declined to make a personal appearance in the power case or even to comment on it.

The Dixon-Yates incident, as a governmental rather than a personal transgression, goes somewhat beyond this book's jurisdiction. Its strain of deception came not from some businessman out to make a quick killing or a local politician with an eye to the main chance, but from within the highest coun-

* At government meetings early in 1954 with Edgar H. Dixon, the partner of Mr. Yates, Mr. Wenzell represented the Budget Bureau. In their private meetings he represented First Boston, his investment banking firm. After this dual role had been made public, Mr. Dixon commented, "It was never in my mind that an embarrassment would come to us. The embarrassment, if any, would be for First Boston and the Bureau of the Budget." The businessman was content to leave whatever moral credit accrued to his associates.

cils of the Administration itself. This kind of dishonesty, where there is no Albert Fall to take the blame, is hard to prosecute, hard to rectify, and it reminds us of the bad old times when injustice came not from one of the king's ministers, but from the system of kingship itself. As a medieval quatrain popular among Congressional liberals has it:

The law locks up both man and woman
Who steal the goose from off the common,
But lets the greater felon loose
Who steals the common from the goose.

One may attribute it to poetic justice or just the dumb chance of politics that Sherman Adams, who weathered the storms of Dixon-Yates, should have run aground on an ordinary shoal in fairly clear weather. What he did for Bernard Goldfine and for Murray Chotiner was unremarkable enough, given his background, but his captaincy of the Dixon-Yates adventure admits him to that large company of government officials whose personal standards of behavior are higher than the standards they allow themselves in public life.

Tactics which they would shun if it meant merely their own advantage, they initiate for the benefit of their party. The evasions, falsehoods and inanities that would mortify them at home (one hopes) they indulge freely in public. It is not that they are Machiavellian; it is not so conscious or intelligent. They are much more like salesmen loosening their neckties for a convention brawl. On trying for office and in attempting to hold on to it, they seem to lose some sense of decorous behavior that has up to then kept them out of mischief and may even have given them a reputation for exceptional probity; they begin to "play down." Perhaps it is all too much for them; perhaps they discover that personal standards are not always relevant to political choices. The vastness and complexity of government, like unaccustomed physical exercise, strains their judgment or their stamina, and it turns out that they are bet-

ter at counting the postage stamps than at running the post office.

Beyond Probity

Whatever else the nineteen-sixties hold for America, we can count on our usual allocation of discomfited officials. The first front-page scandal of Mr. Kennedy's Administration, the Billie Sol Estes case, alone produced an easy half dozen. As this is written, Billie Sol, the Texas fertilizer king, is still having his long day in court. The particular novelty and genius of his career appears to have been his use of credit, farm subsidies and crop allotments — three inventions on which our economy surges along like a giant on stilts, lurching hither and thither in precarious pursuit of who knows what; the most disquieting feature of the case was the ready collaboration Billie Sol seems to have received from his honest neighbors. As for his relations with government, they were fairly run of the mill, a matter of gifts, loans and contributions and the best return he could get on his generosity in the way of official permissiveness.

Few givers of favors are as spectacular as Billie Sol Estes — just as few takers are so highly placed as Richard Mack. As long as both givers and takers are content to reside in the pleasant shadows of obscurity and do not become ambitious or famous, they can do well by one another. The weedy practices that grow rampant through the lower levels of government will, in the natural process of things, be carried upward by both businessmen and politicians, city-bred children blowing dandelion fluff onto suburban lawns—and it is safe to predict that during the 'sixties, and doubtless into the twenty-first century and after, wherever there are goods to be stockpiled, privileges to be handed out, national resources to be disbursed, windfalls to be arranged, or laws to be softened, wherever advantage-seeking wealth confronts power-holding weakness, gifts and favors, bribery and venality will play their part.

But more complicated ethical tangles are threatening to snarl our federal thoroughfares. At the beginning of the nineteen-sixties, there was a flurry in the capital over the moral and legal status of the hundreds of scientists and engineers employed in industry, in universities and in private research organizations who are used part-time by Washington agencies. Government lawyers called up the restless ghost of Dixon-Yates, and suggested that Adolphe Wenzell's straddling position in that case was comparable to that of many of our scientific consultants. In February, 1962, the President issued a code-of-conduct memorandum on the subject, which emphasized that scientists are not supposed to gain financially from their connection with government, and the whole issue passed from the press, like a thirty-second storm that leaves the air unsettled and trembling after it subsides, a presage of more serious weather to come.

The most flagrant conflict-of-interest case we have up to now experienced involving a government scientist concerned Dr. Henry Welch, former director of the Division of Antibiotics of the Food and Drug Administration. Dr. Welch joined the FDA in 1938. In the 'forties, he won the nation's Distinguished Service Award for his work with penicillin. He also won a fine reputation as an expert on antibiotics, and was a natural choice in 1945 to become first head of the FDA's new Antibiotics Division. In the early nineteen-fifties, however, he branched out and became part owner and editor of medical journals that obtained their revenue by promoting and advertising new antibiotics. He indicated to his FDA superiors that he was receiving a modest "honorarium" for his services — but it was he who was modest. Between 1953 and 1960, Dr. Welch's outside income came to around \$290,000, whereas his highest government salary during that time was \$17,500 a year.*

* Credit for drawing attention to these profitable sidelines belongs to

In addition to affirming the doctrine of Oakes Ames, the nineteenth-century briber-Congressman, that "there is no difficulty in inducing men to look after their own property," the Welch case revealed yet again the existence of a happy mutual-ity of interest between a government agency and the companies it was supposed to be supervising. This time it was the ethical drug industry (the adjective means that the drugs may be sold only on prescription; it does not refer to the means of selling them), which found in Dr. Welch a champion of their new, somewhat controversial combination antibiotics. He showed especial devotion to certain of the largest manufacturers. In the summer of 1956, for example, his opening speech to an antibiotics symposium (sponsored by the FDA, but financed by one of his medical publications — which pretty well summed up the doctor's own position) was submitted to a major drug firm for "editing." The company inserted into his talk the slogan for its newest antibiotic, about which outside experts had serious misgivings. (His partner in medical publishing had written to him regarding these affairs, "We have a unique opportunity to slant the papers of the symposium in whatever direction we feel will be most useful to the audience of our publication.")

Hundreds of thousands of reprints of Dr. Welch's agreeable works were distributed by drug houses, and on these he received a generous royalty; his publications thrived on advertising for new drugs, and their editorial content reflected industry attitudes. His tie-up with the drug houses, their advertising agencies, and publications dependent on their good wishes led

John Lear, Science Editor of the *Saturday Review*. (See his articles of Feb. 7, 1959; May 2, 1959; Jan. 4, 1960; May 18, 1960; and July 2, 1960.) The quality of the doctor's relations with industry may be gauged from the fact that two major drug manufacturers wrote to the FDA as soon as the first article appeared to defend their own Henry Welch against what one of them, Parke-Davis, called a "vicious attack." The other, Pfizer, was moved to declare: "We are all aghast at the effrontery of the SR article. . . ." Other observers were aghast at Pfizer's effrontery.

finally, in the middle of 1960, to his forced resignation, his reputation stained, but his bank account in excellent shape, his major regret, apparently, like that of the Pennsylvania Congressman who accepted seventy-five shares of Credit Mobilier stock, "that it was no larger in amount."

Moralists have sometimes shaken their heads in doleful incredulity at how much men will give up for money — birth-right, honor, love, pleasure, life of course — but like other men's, Dr. Welch's career did not divide itself into so simple an equation. From all one can gather, he never felt the twinge of conscience that is thought to accompany selling out. On the contrary, his private deals seem not to have represented an exchange at all; they were an affirmation. He was not unmindful of his new wealth (on trips abroad he was heard to boast that his government salary was just enough to pay his income tax), but in his speeches and editorials he was saying nothing that he did not thoroughly believe. He believed in antibiotic therapy; he believed in the broad-spectrum antibiotics introduced in the nineteen-fifties; he believed in the drug companies which put words about them into his mouth.

Only by allowing him this much honesty do we touch a fundamental issue before today's scientist. It is not so much that he will avow foreign beliefs for cash, but that he will permit his own or some facsimile of his own to be exploited for profit. When he is paid to prove that a certain antibiotic should be released on the market at once without further testing or that cigarettes have nothing to do with lung cancer or that pesticides are only a little poisonous, he has taken on one master too many. Then, whether he honestly believes in his employer's cause, or only thinks he believes (science itself has impressed on us the power of unconscious self-interest), whether he is right or wrong as to any detail, he has resigned his original claim to our trust.

The awareness that there is much more money to be made outside of government than in (particularly if one has connections inside as well) came late in life to Henry Welch. Or perhaps it was only opportunity that came late. But he was of another generation. Long before recruiters from industry pay their end-of-term respects to the nation's campuses, science majors have learned something about the upper-strata labor market in America. This is their era; it has been estimated that more than one-half of all the scientists who ever lived are active today. They are in demand and cannot help knowing it; like the young lawyers and junior executives around them, they are coming to see government as a kind of advanced graduate school, where they may learn while they earn, until the time arrives to go where the real money is. They have read stories of the young men who have been dubbed "the egghead millionaires," physicists and electronics specialists who started businesses of their own, obtained large, lucrative contracts and found themselves suddenly wealthy.

But at a time when scientists are in short supply, when industry is competing for them with offers which government cannot match, particularly on advanced levels, it is government that needs them the most. Mr. Kennedy may shun the politicians with whom Mr. Truman felt at home and be wary of the big businessmen who cast such large shadows in Mr. Eisenhower's regime, but when it comes to scientists, he has no choice. Nearly two-thirds of America's scientific research, engineering and development is today being paid for out of the Federal Treasury. In 1960, these pursuits cost the government five and a half billion dollars, more than it spent on them in the first forty years of the century put together, more than the total federal budget a generation ago. By 1963, the figure exceeded ten billion dollars. Scientists now find themselves on several payrolls, apportioning their talents among the research division of a large corporation, the government department

they serve as consultant, the university where they lecture.

Given the portentous ethical issues confronting scientists today — War, Death and The Bomb — it may seem niggling to pick on them for trying, with all the rest of us, to make the best living they can, where they can — as though, watching a man walk a tightwire high in the air, balancing heavy explosives, we were to heckle him because he had on the wrong brand of sneakers. But how can we avoid heckling? On the scientist's technical decisions hinge policy decisions of awesome consequence. If he falls, we fall along with him.

Mr. Kennedy's resumption of nuclear testing in 1962 was, he explained, made for technical reasons, which the nation was asked to accept without being told in any detail what they were. Most of us do accept such decisions, albeit with a certain disquiet, because we know that there are restrictions on what we may be told publicly about these matters and because we know further that, even if we were told, so specialized has technology become, so esoteric the language of science, that we could not really understand anyway. Before a hydrogen bomb we are all dunces. So we must deny our democratic suspicions and trust the scientists to a degree that we would never consider trusting a mere President. In fact we *want* to trust them. Far from suffering under the cynicism we heap on our political representatives, scientists are liked and respected; C. P. Snow would give them a mortgage on the destiny of society, and every now and then a respectable voice proposes that a dozen biochemists get together and organize peace. Where the cartoonist's politician is conspicuous for his flabby presence and big cigar, the cartoonist's scientist is a clean-cut young chap in a white coat.

The roots of our trust and high regard lie not only in our wonder at the scientists' accomplishments but in their removal from the marketplace; aloof in their laboratories, we can imagine them remaining as pure as any of their protected speci-

mens. Now, suddenly, they have emerged from the laboratory and have become men of property in their own right — *vice presidents* and such. Or, even if they have stayed put, the likelihood is that the market has taken a lease on their laboratory; that they are supported, well supported, by groups with very definite nonscientific objectives of their own. The military establishment in particular keeps them today in the style that the nobility used to keep the mistresses they could not invite home; nonprofit corporations have been set up so that the civilian scientist may be paid twice what he could earn in government and yet stay clear of the conflict-of-interest statutes. But his real conflict has only begun; now he has an interest more palpable than truth.

Somewhere in our memory, we cherish the picture of Newton discovering the laws of mechanics on his mother's Yorkshire farm, of Darwin at work in his country house — but today's scientist cannot so indulge himself; he needs the great organization's facilities as much as the organization needs his knowledge. It is damnably hard to be a loner, yet harder to be a rebel. So he joins up and creates a problem for society. Ed Mansure could claim with some logic that it mattered not at all to the United States Government whether he steered the Nicaro insurance to a friend or a stranger — hence why not a friend? Such comfort is not available to the scientist; whether they concern rocket fuels or fallout shelters, his decisions do matter, and gravely. The fall from grace of Dr. Welch was the more disturbing because his commercial initiative might have produced a side effect injurious to that most sensitive of American concerns, the nation's health.

Our scientists' indispensability and incomprehensibility, their affinity for war industries and the military establishment and their increasing readiness to hand down moral injunctions on all subjects — these make an unsettling combination; it foams and bubbles like a formula before the explosion.

But the fragrance of self-interest issuing from our military complex is not attributable entirely to scientists. The relations which America's generals and admirals maintain with their arms suppliers are as full of good feeling as the seasonal get-togethers of yesteryear's sorority sisters. It is a phenomenon that, untypically, was much on Mr. Eisenhower's mind in the final months of his Administration, and is certain to be engaging the nation's attention again, a continuing dividend of the Cold War.

Arms-making in this country combines the spaciousness of a baronial estate with the intimacy of an exclusive gentleman's club. It is like a hunting lodge in the Maine woods, with a thousand game-filled acres, dozens of well-stocked lakes and a membership of fifty. Two dozen manufacturers each year handle half of the country's 45 billion dollars in defense contracts, at profits on their investment which, from the examples that have been made public, are exceptionally gratifying. There is but a single customer — the U. S. Armed Forces — and it wants to buy as fervently as industry wants to sell. To help keep up the fervor, several of the companies have on their staffs executives whose entire function it is to provide good fellowship amid good surroundings for Pentagon officials.

Such, for example, was the job given Mr. Jess Sweetser in the early nineteen-fifties, along with impressive club memberships and an impressive title — vice president in charge of military requirements for the Martin Company, missile makers. Although innocent of any technical or military background, Mr. Sweetser, who came to Martin from Curtiss-Wright, did have one ascertainable asset.

"Isn't Mr. Sweetser the former amateur golf champion?" inquired Representative F. Edward Hébert of George M. Bunker, chairman of the Martin Company, in September, 1959.

"Yes," replied Mr. Bunker.

"Very well known, isn't he?"

"Ycs, very."

"Did that qualify him to be in charge of military requirements?"

"I would think so," said Mr. Bunker, whose company had treated dozens of Pentagon officials to sojourns in the Bahamas. "I would think so very much."

During an executive session of Representative Hébert's House Armed Services Subcommittee, Mr. Bunker expressed the fear "that there has been an impression that these military officers have been subjected to undue influence by being our guests," and he delivered a brief talk on golfing, which it would be a pity to leave buried in Government Printing Office document #49902 O-60. He said:

I think this is a serious problem. I think we have got a grave question facing us today. It has to do with what the capitalistic system can fundamentally do. And it is made up of competitive businesses. And the combination of these competitive businesses in private industry and in government is to develop the weapons systems, the things which we have to compete with with the Communists, with the mono'ithic structure that organizes all their capabilities. Now, we are one of the largest manufacturers of missiles in the country. I am the chairman of it. In common with my own counterparts in industry, I feel a big responsibility for this. And I don't think that our system of weapons development is going to work effectively if we do anything that keeps us from bringing together the major capacities of the people that of necessity have to work closely together. We can only succeed with an intimate relationship between all these segments. I submit to you that it is the kind of thing that won two wars and that permits us to have the defense posture that we do today.

The weapons manufacturers are not only golf-weather hosts to the military men. Hundreds of officers have found on their retirement from the service, or earlier, that there is a place awaiting them in industry. In 1959, the ten leading defense

contractors employed almost seven hundred retired officers, including about one hundred former admirals and generals.* Most of the executives of flag or star rank drew \$9000 to \$12,000 to supplement their retirement pay, but there was a fair sprinkling of \$20,000- and \$30,000-a-year salaries, and more, and Representative Hébert expressed uneasiness at the thought of high officers leaving the Pentagon and being given good jobs by industry "for the very purpose of being able to go back into that place and be the supersalesmen."

This sort of comment prompted Martin Company chairman Bunker to protest that "these high officers, these people of great character and tremendous responsibility, are having their character, their integrity impugned, by golly." Mr. Bunker had a point, by golly. While a paying connection with a missile company is not likely to do much for a general's character, his integrity is probably as safe as it ever was. It is not a connection that will ask him to betray his life's ideals. Indeed, excluding the officers' clubs, which they resemble, there are few environments where a man can feel ideologically quite so at home after thirty years in uniform as within the arms industry.

In 1955, there was some excitement in the press about a Chicago cap maker who gave smoked sturgeon and other savories to military procurement officers, and thereby boosted the

* These figures are taken from a survey made in 1959 by a House subcommittee looking into "the employment of retired commissioned officers by defense contractors." The survey covered seventy-two contractors; here are figures for some of the largest aircraft, missile and munitions companies:

Defense Position	Company	No. of Retired Officers	No. of Retired Flag and General Officers
1	Boeing	61	5
2	General Dynamics	186	27
4	Lockheed	171	27
5	United Aircraft	24	5
7	North American	92	8
8	Douglas	40	5
9	Martin	63	9

sales of his white sailor caps. For the munitions makers, this sort of thing is grossly parochial. Their vistas are wider, they see further. Getting this order or that one for themselves is all very well, but the overriding factor for their continued prosperity is that the demand for weaponry of all sorts remain great. If it does, there will be fair shares for everyone. To this end, the retired officers and the hired scientists are two elements in a solidly stocked political and public relations armory. Our generals and admirals, professionally imbued with the desirability of armed power, may, along with their late-in-life employers, differ occasionally among themselves on which type of missile merits the heaviest investment, but on the need for ever-increased military strength, they are in deadly earnest, and they are unanimous.

David T. Bazelon helps us to imagine what the effect on the economy would be if defense spending were suddenly curtailed: "Southern California would become a disaster area. The bottom would fall out of our national research and development program. The greatest part of the two and a half million people in the armed services and the additional one million civilian employees of the Defense Department would be thrown upon the labor market. Not only would ordinary people become unemployed; the thousand or so top-ranking ex-military officers employed by the country's one hundred leading defense contractors would be in serious trouble, along with their tens of thousands of elite colleagues still in uniform." And, he asks, who would be able to rent the Pentagon?

Though we can all agree on the importance of a strong America, it is evident that the government official who contemplates a move, however tentative, toward an arms cut-back faces a formidable array of power which has been welded together by more compelling motives than the realities of international politics. Opposed to him are the economic interests of the arms makers and of the factory communities

which are their fiefs; the political force of the Congressmen who represent these areas; the rank, prestige and priority as regards Patriotism of the officers who share a munitions-oriented world view; the expertise of the growing numbers of scientists and technicians dedicated to bombs and missiles. The civilian official, unesteemed by the public, with no solid constituency for support, lacking the medals, jargon, wealth and influence that makes the other side so strong — what may reasonably be expected of him? How much strength, honesty, daring can we hope for?

But the channel of ethics we have been traveling has broadened out into open sea, which we may only gaze on, speculatively, from a distance. Harry W. Jones, Professor of Jurisprudence at Columbia University, emphasizes that by drafting statutes against failures of probity, the nation does not defend itself against more critical failures of courage, of energy or of detachment, to which the most scrupulous official may be prone. Being honest is assuredly no guarantee that a man will not be lazy or fearful — yet just as surely, there is some connection between official imprudence or impropriety and other, more serious inadequacies. Prudence, wrote Emerson, does not consist in evasion or in flight, but in courage. Can we expect a Mack or a Doerfer, no matter how closely policed, to stand up against the pressures of money and power? A Talbott to cease identifying with big business? Ed Mansure to shake off the mentality as well as the debts of the Chicago wards?

One comes away from these specimens ready to succumb to a hortative mood — ready to demand not merely that our public men resist temptations to which the rest of the society lightly gives way, but that they take their positions seriously even if no one else seems to, that they take politics seriously even if the politicians who got them their jobs do not, that they be intelligent as well as smart, and principled as well as

amiable, even if it does them little credit with their colleagues and peers. They are, after all, our leaders, and when they are not capable of leading, as Karl Jaspers has pointed out, it is then that we get humbug, compromise, window-dressing, unsavory bargaining, procrastination, ill-considered decisions and jiggery-pokery of all kinds. Then corruption comes easy.

Government has grown so big, along with everything else. Is it too much for us to ask of its caretakers that they grow as well, that, during their season in office, they call up from within themselves something better than the ordinary attitudes and values of the corporation or the political club or the State House?

Well, it is too much, decidedly. Such transformations in middle life are rare; they occur, but had best not be depended on; the environment is not propitious, the inducements are not very great. Even if the haphazard routes by which appointees find their way into responsible positions were straightened somewhat, even if the irredeemable hacks were shunted off early in their careers, we should still account ourselves lucky to find a great public administrator. That kind of talent now flows into other fields, where it is better rewarded, both with money and with respect. Social consciousness is not a particularly valuable asset in our society, and there is no surer road to musty oblivion than to be a dedicated civil servant.

Like other disorderly aspects of American democracy, official weakness, foolishness and carelessness are not about to be repealed by higher pay and a refurbished code of conduct. There is, it seems, nothing for it but to reject the worst and settle for the better even if we can't get the best — and meanwhile to temper our indignation with philosophy. "Th' trouble with this house," said Mr. Dooley, commenting on the scandals of the early years of the century, "is that it is occupied entirely by human bein's. If 'twas a vacant house, it cud aisily be kept clean."

4

Mass Media: The Generation of the Lie

BY ANY measure of cocktail-party or barbecue-pit conversation, the fixing of the television quiz shows was the most popular scandal of the decade. There is nothing surprising about this. According to similar rating systems, more invidiously applied, the quiz shows themselves were the most successful cultural products of their time. It takes a national convention or a Presidential election, bustling with contest, personality and spectacle, to compete with an ordinary TV program for the attention of America. Entertainment is much closer to our hearts than politics, and Dr. Gallup only confirmed the obvious when he reported at the end of 1959 that many more people were aware of the quiz contestants' embarrassment than had been aware of the embarrassment of Sherman Adams.

But while reaction to the quiz-rigging was general, it was not all of a piece. In newspaper editorials, public statements, opinion surveys, letters to the editor from the prominent and the obscure, one could find compassion as well as indignation, sorrow along with cynicism and plenty of indifference. President Eisenhower's admission of general distress and bewilderment was understandable. Clearly, a deception had been committed, but where was the victim? Who had been injured? A year later, the price-fixers would take up the same refrain. If victims were in short supply, however, culprits were present in confusing abundance. It was like a case of inept economic plan-

ning, where too much milk must make up for a scarcity of eggs. Depending on his predisposition, an observer could take aim at the contestants who lied, the producers who coached them, the companies that concocted the shows, the advertising agencies that bought them, the business firms that sponsored them, the networks and local stations that carried them, the system under which they thrived, the audience that doted on them — or any combination of two or more. The target might be pinpointed to a single individual, or it might be infinitely broadened out, becoming vaguer as it became more encompassing, until one found oneself speaking of the moral decline of the West. "It's a moral issue," said Mike Nichols, referring to the TV scandal. And Elaine May replied, "To me, that's always more important than a real issue."

To a people who have exchanged the age-old evils of mankind — starvation, pestilence, overwork, and all the inclemencies of nature — for such effete worries as how to use up their excess wealth and their spare time, the mass media must be accounted a blessing. In T. S. Eliot's phrase, they distract us from distraction by distraction. More, they instruct while they entertain — they induce us to buy things. They keep the economy functioning, the wheels turning, the populace beautiful, clean and equipped with a mind-boggling array of gadgets to make existence yet more efficient, give us yet more hours to spend before our TV sets.

Mass culture is not an American invention, much as we might take pride in the claim; its genesis may be traced to the first printing press in Europe five hundred years ago, its triumph to the ascendancy of the middle classes in eighteenth-century England. But it is connected with movements that have found their fulfillment in this country — industrialization, technological achievement and democracy: "In aristocracies," observed De Toqueville, "a few great pictures are produced;

in democratic countries a vast number of insignificant ones. In the former statues are raised of bronze; in the latter, they are modeled of plaster." But it would have been difficult to foresee a hundred years ago how rich a hold mass culture would find in America, to imagine that the marriage of entertainment and commercialism would be blessed with so resplendent an offspring as television.

Upon being informed by a journalist that the cable to India had been opened, John Ruskin is supposed to have inquired, "But what do you have to say to India?" In a time given to the rapturous adulation of technics, his question, so simple and so just, has a reactionary ring. Yet each day's newspaper raises afresh the question of whether we are in command of our technical equipment or in its grip. Like other parts of the culture, our means of mass communication — more massive than communicative, notes Scott Buchanan — are possessed of and by wondrous devices. It is a tribute to our technical sophistication that there seems nothing remarkable any longer in moving pictures being available in everyone's living room. Or nearly everyone. Ninety per cent of the nation's homes now contain at least one TV set — which leaves only migratory workers and Mandarins unattended — and on any given night, some forty-five million sets are tuned in to something or other. The average watching time of the average family is reported to be more than five hours a day. At almost any hour, day or night, man's old gloomy enemy, loneliness, can be shooed away with the turn of a dial. This is not a small achievement, but it is a recurrent truth of history that the mercenaries who are called in to save a city from its besiegers have a way of becoming its tyrants.

From our TV screens now, into the homes of rich and poor alike, in cities, on farms, everywhere, flows a mass of stuff, awful in what Dwight Macdonald calls "its sheer pervasiveness, its brutal, overwhelming *quantity*." Far too much for much of it

to be watchable — but then, as the industry's spokesmen remind critics pointedly, no one *has* to turn the dial at all. Yet their publicity and advertisements directed at getting those sets playing are as ceaseless as the programs themselves, louder if anything and more insistent. And even leaving aside the salesmanship, the temptation for workingman or housewife to sink into the narcosis of television is strong. To sit in an accustomed chair before the bright glass and watch a show as tasty and non-filling as the cracker the watcher nibbles — why, where is one to find a comparably titillating, undemanding, inexpensive respite from the strains and indignities of the working day? Where a more faithful ally in fending off boredom?

In one role, the tens of millions of families who watch television each night constitute a mass audience. In another, they make up a mass market, which is constantly being badgered and flattered, kidded and cajoled, lectured and hectored by every sort of salesman. Businessmen, delightedly taking on the high cost of distributing culture across America, have, in the words of Charles Frankel, become the makers of our tastes and the educators of our souls. Veblen pointed out sixty years ago that the surveillance of advertisers over the press was infernally connected with a deficiency of intelligence and of originality, as well as "a piquant presentation of common-places." Looking back now on the forms of advertiser influence which have contaminated newspapers and magazines, one might be celebrating an age of editor-heroes who kept the hungry businessmen at bay. In television, the stakes are too high for merely indirect pressure — the cost of time alone for an evening half hour on a network can come to \$100,000 — and the greater part of the medium has been frankly turned over to the businessmen to do with pretty much as they choose.

On the evidence of the TV screens, businessmen and their abettors in advertising agencies and TV stations might seem to

have worse taste than, given their status, they are entitled to have. But, they admonish us, we shall not know them by their fruits. To ask that they show good taste, they object, is like asking members of the electoral college to show sound political judgment. The people vote and they, the people's servants, merely record and comply. Frank Stanton, president of the Columbia Broadcasting System, says, "I don't know of any satisfactory or democratic alternative to letting the people set the standards of programming by the simple act of accepting or rejecting what is offered." His nominal competitor, Robert Sarnoff, chairman of the board of the National Broadcasting Company, agrees: to him, the TV dial is the country's most used voting machine.

When the broadcasters present themselves as only the vote-counters of mass culture, we know they are being modest, since, after all, they are also the nominating committees; we may vote only on what is shown of an evening. Yet they are not despots; their programming is democratic — with a vengeance. Whereas a magazine, even one with a circulation in the millions, can ignore other millions of non-readers in formulating its appeal, network television must shout for the attention of every home in the land. Only wishful thinkers will quarrel with the observation of critic Robert Brustein that as networks develop more accurate measurements of the public taste, their programs will get even worse.

For more than a century, artists and intellectuals have been chafing under the strictures of Cultural Democracy. They were the first to sense the perniciousness of the doctrine, as applied by an advertising agency vice president, that "either you trust the people's taste or you don't really trust democracy." It is a doctrine that strikes at the heart of the artist's independence and honesty, for the artist is an aristocrat, and art is at bottom just as anti-democratic as it is anti-totalitarian. Bad taste, easy to acquire and hard to shake off, is always in the majority.

Looking today at the sumptuous wasteland of the mass media from which they are largely dispossessed, our artists echo Matthew Arnold's melancholy observation that "everything seems directed to prevent any such perversion of us by custom or example as might compel us to relish the sublime; by all means we are encouraged to keep our natural taste for the bathos unimpaired."

The mass media have contributed to the democratic community in valuable ways. They have distributed information, exposed villainy, bridged differences, increased mutual tolerance and given great pleasure to a great many. They have also diffused taste of a sort — which, William Hazlitt noted, is not the same as improving taste — but aesthetically and intellectually the result has been shambles. In their compulsion to produce so much and to please so many, they are condemned to eternal reliance on the tepid, the bland, the superlatively mediocre. As the vice president for advertising of the General Foods Corporation explains, his company's TV programs must be in the nature of "wholesome entertainment — stuff that is fit for the dining room table." But it is not the single dining room table that fascinates the food maker — that would be limitation enough with all the children present; he has his eyes on tens of millions of such tables which, Mr. Sarnoff tells us, "represent not one public but a complex of many different and overlapping publics, encompassing all levels of taste and interest, education and sophistication."

Can the man from General Foods, looking out toward such a mob, hope to detect the individual trait, the odd taste or eccentricity that sets men off from one another? Even with all his tools of market research? But it is not necessary. As political orators demonstrate each fall, one does not talk to a mob; one plays upon it in just the way that purveyors of popular fiction have been playing upon faceless audiences since the birth of the serial novel in the eighteen-thirties — with sensa-

tion, sentiment, slapstick. The quality of personal communication that artists of other periods had with their patrons was hopelessly lost when patronage became universal and homogenized.

To create for the huge, sprawling, lumpish creature out there is a technical specialty which has been considerably refined since Alexandre Dumas kept seventy-three literary hacks in his employ. Just as there is no real person at the far end of the set — only numbers — so today there is no individual voice at the near end. Television is a totally collaborative enterprise. As Dr. Stanton explained regarding *The \$64,000 Question*, "there are some people in this business whose main role is creating ideas for programs, and there are others who take the idea and carry it to completion. . . ." There are packagers, producers, writers, advertising men, sponsors' representatives, rewriters in batches and fixers by the carload, all devoted to a single message — *Buy our product*. That is the goal, the rest is artifact. Like Horace's carpenter deliberating over whether to convert a log into a bench or into a god, the creators of the mass media see everything as raw material for a "package" or a "piece," which is most often irrelevant to the lives of both creators and viewers. For genuine emotion on television, one must tune to the commercials.

To a degree abnormal even in the mass media, the economics of television force groups of professionals with nothing to say to keep up an incessant din at a public in which they only half believe. The material must be easily absorbed and as easily forgotten so that it may be repeated in subsequent weeks. It will be put together by rote but will make much of its novelty. It will rely heavily on human interest and claim thus to be treating Life. It will make believe that the past does not exist, that the present, this half hour, is immensely important, and that the future consists of next-week-at-the-same-time. It will pretend that complicated matters may be rendered simple and

so understood by every American citizen at one sitting. It will avoid giving offense, lest from out that forty-five million two dozen ladies should shriek, yet it will strike a bravura pose. It will always be in fashion, but never far ahead, for fashion might go another way. When Robert Sarnoff reads from a prepared script that his network has brought America "the gift of laughter, the spell of dreams and the weapons of knowledge," everyone understands that he is playing the role of the realtor who flies so high on his homemade wings of poesy that the slum area he must needs promote seems to turn into a blooming garden.

This state of affairs does not prevail because Mr. Sarnoff is a committed lowbrow or because sponsors are all ignorant, though many are. Nor is it, as Dr. Stanton regularly points out in an oblique concession to critics, that television is a young form, going through its growing pains. With the best of intentions, the networks could not find decent material enough to fill a fraction of their on-air time, and their intentions are only so-so. As long as profits remain the reason for television's existence, as long as advertisers require huge audiences to make their investment pay off, worthy endeavors will come grudgingly. When in 1961, CBS produced an hour's discussion with Mr. Eisenhower, it attracted about a tenth of the network audience. Its competitors that night were *Sing Along With Mitch* and *The Untouchables*. (One may, without apology, prefer an hour of singing and dancing or cops and robbers to a conversation with the former President, and yet be disheartened by the typical TV alternatives. The trouble is not, as child-care experts would have it, only that television is not more earnest; it is that it is not more enjoyable.)

In their frequently commendable news and public affairs programs, where they limit sponsor interference, the networks lose several million dollars each year. From their entertainment packages, where sponsors are treated with humility, they earn

tens of millions. Not all of the entertainment is equally atrocious, but off-beat drama and fresh comedians are hard to find, whereas standard formats are easy to put together and not so risky. The result of this incentive to exploit the mass insensibility is a profusion of *kitsch*, the German word which Clement Greenberg has happily introduced into the language: "Kitsch is mechanical and operates by formulas. Kitsch is vicarious experience and faked sensations. Kitsch changes according to style, but remains always the same. Kitsch is the epitome of all that is spurious in the life of our times." Such, exactly, describes the television quiz shows.

Good Night, All You Wonderful People Out There

Television programs, like the regimes of some Latin-American countries, cannot count on the blessings of a long life and a tranquil old age. But, as in those governments, ministers may go into exile, when their time comes, richer for the experience.

America's quiz-show phase lasted from the spring of 1955 to the fall of 1958. It was set off by *The \$64,000 Question*, an instantaneous, unprecedented success, which vaulted at birth to the highest reaches of television's Top Ten. During 1956, according to the audience measurements of A. C. Nielsen, the newcomer held first place more times than any other program; on one night, reportedly, eighty-nine per cent of all the TV sets in use in America were tuned to it. (That summer the Democratic Presidential convention featured two child winners from the program who loyally delivered partisan answers to questions asked by the governor of Tennessee; it was suspected that they had been coached.)

The prodigy did not go unnoticed in an industry where emulation is the surest form of inspiration. Other, similar shows began popping up all over the place, like the rash that notifies a community infection is abroad. At the peak of virulence, an annual 100 million dollars in time and production costs was

invested in some two dozen network quiz shows, which accounted for nearly forty hours of the viewing day and evening each week. For the still unsated, local radio and TV stations around the country offered another 250 such shows, most of them specializing in giving away money, merchandise and trips to Paris on the slenderest pretext. An engaged couple won a bridal gown by completing the line, "Old, new, borrowed . . ." while an unusually gifted man on another show ended his TV career with the problem of disposing of a frozen custard machine, a popcorn machine, a candy cotton machine, a taffy puller, a dining room set, a baby grand piano, candelabra, a juke box and a Wells Fargo stagecoach. In the middle of 1958, a housewife (the shows seemed to appeal particularly to middle-aged ladies who had gotten through grammar school) could enjoy six successive games every weekday morning without switching from her NBC station. That fall NBC, the most quizzical of the networks, was committing eighteen per cent of its over-all programing time to audience participation shows. When the American Broadcasting Company expanded its weekday schedule by four hours during 1958, it filled the new period with such items as *Beat the Clock*, *Chance for Romance* and *Mother's Day*. The great daytime favorites of those years, *Dotto* and *The Price Is Right*, were watched by an estimated seventy-three million people.

Of all the imitators and competitors, big and little, of *The \$64,000 Question*, the most successful by far was *Twenty-One*, which came on in the fall of 1956. It kept some of the basic ingredients of its pioneering predecessor—the contestants could return week after week and had to deliver their answers from soundproofed booths—and elaborated upon others: the game became more complicated; the limits were taken off possible winnings; the areas of required knowledge were broadened—instead of a jockey who knew about art, they put forward a college instructor who knew about everything.

At last NBC had a program that could compete on Monday evenings with *I Love Lucy*, the CBS hit which captivated at least twenty-five million families each time it took to the air. For tens of millions of viewers, the most stimulating part of the week that season began on Sunday with *The \$64,000 Challenge* and ended on Tuesday with *The Big Surprise* and *The \$64,000 Question*. And it was on *Twenty-One* that Charles Van Doren spent fourteen perspiring winter weeks of 1956-1957, departing finally with \$129,000, twenty thousand letters wishing him well, and great expectations. When in February, 1957, the popular young man appeared on the Steve Allen Show, it managed to get a higher rating than the competing Ed Sullivan Show — the second time in history that Allen had bested Sullivan. The first time his guest was Elvis Presley.

But even during their prosperous years, the quiz shows were haunted by the same intimations of mortality that shadow most of television's successes. As early as 1956, the quiz-show format began to tarnish a bit, and Charles Van Doren was credited with giving it a new sheen. But, so restless is the TV audience, in 1957 again quizzes showed signs of wear, and by the time ruin struck in the form of the accusations and exposures of 1958 and 1959, insiders had already written them off in favor of westerns. A vice president of Batten, Barton, Durstine and Osborn who had been connected with *The \$64,000 Question* said that he had seen the handwriting on the wall, (he meant in the rating books) a year and a half before the final blows were struck.

The struggle against falling ratings, professionals knew, could only be a holding action; they had no illusions about eternal life. Referring to ratings, one of the quiz producers said, "We live and die by them." Yet having struck so rich an entertainment vein, they would certainly work it as hard as they could, taking all that was to be taken, until it gave out and they were compelled to go prospecting elsewhere. They did not

spare themselves in searching for ever more attractive contestants, organizing ever more exciting contests and giving away greater and greater sums of money.* But the difficulty of sparking a response from a mass audience whose nerves they had helped to deaden could only increase.

When an Italian shoemaker won \$32,000 in 1955, there was quite a fuss made over him, but two years later no one would deign to notice a winner who quitted a show with less than \$100,000; under \$50,000 and he was counted a loser. Records were broken almost as fast as they were established. A day after Charles Van Doren confessed with a faded smile that he couldn't recall the name of the king of Belgium and ended his famous visit to *Twenty-One*, *The \$64,000 Question* raised its stakes to \$256,000 "to keep up with the trend of the times." A ten-year-old \$64,000 winner promptly returned to win \$128,000 more, and so take Mr. Van Doren's golden crown. In

* Writing in the *Saturday Review* a few weeks after the debut of *The \$64,000 Question*, Goodman Ace waxed nostalgic for poorer times:

We have come a long way since the days when Phil Baker, his accordion strapped about him, would say to a contestant, "You now have thirty-two dollars. Do you want to try for the sixty-four-dollar question? You can take it or leave it." And when the contestant took a deep breath and muttered he might as well try for the sixty-four dollars, our little radio shook with the bravos of the studio audience mingled with a few ominous you'll-be-sorries. Tensely, we leaned forward to hear the contestant's reply to the sixty-four-dollar question.

"You-uh-you go on the — I mean you go on the green light — and you stop on the red light."

"Right with Eversharp!" shrieked Mr. Baker. "You now have sixty-four dollars."

The deafening roar that went up when the audience realized the extent of the fortune the contestant had amassed echoed from coast to coast. We could hardly hear the short interview which always followed where the lucky *nouveaux riches* told what universities they were going to endow with the money they had just won. Well, that was a long time ago — seems like thousands of dollars ago. That little radio program has long since gone by the boards. It wasn't that money went out of style. It was just that sixty-four dollars went out of style.

July, 1958, a pretty girl from Brooklyn Heights won \$220,500 on *Twenty-One's* heights, only to be topped a month later by a homely man who reached \$252,000 on *The \$64,000 Question*. More than one observer likened the programs' dilemma to that of a dope addict's; it was a losing race of arithmetic dosage against geometric need.

The quizzes might have lingered on for a while longer had not the exposure of their phoneyess intervened, like the pneumonia that finally kills the fatally ill patient, but they were weakening steadily. When it finally gave up the ghost in the fall of 1958, *Twenty-One's* rating was down to 10.3, compared to the 34.7 of Charles Van Doren's era — "21 SKIDDOO!" hollered *Variety*. And *The \$64,000 Question*, which had been a Herculean 57.1 in infancy, expired at 12.4.

Excepting always network executives, sponsors and their retinues of the pure in mind, it was taken for granted in the television industry that the quiz shows were "controlled" and had been controlled since the days when radio's Quiz Kids were asked questions that the producers had reason to believe they could answer. Outside the industry, readers of such unesoteric publications as *Look* and *Time* were given to understand in 1957 that the contests were not off-the-cuff meetings of random know-it-alls.

The close screening of applicants for the big-money shows was public knowledge, spread abroad by the network publicity departments themselves. The contestants had to provide variety and call up empathy. "We cast as though we were casting for a show," said the producer of *The Big Surprise*. "A dramatic show and a quiz are very much alike." ("In a quiz, though," he felt constrained to add, "there's no script and no contrived ending.") When two thousand viewers wrote in to praise a contestant on the daytime *Dotto* show, it was ordained that he would become a leading performer on the nighttime version.

The producer of *Twenty-One* conceded to a reporter a year before he was accused of anything that the contestants were challenged first in categories where they felt at home, for, as another program planner remarked at about the same time, "It develops a little audience antagonism if anyone loses right away." It was easily observed that attractive persons who reached the \$64,000 question rarely missed it. No showman mocks his audience by building up its heroes only to chop them down at the climax — hence, the specialist on French cooking was not asked about Indonesian fare and the Italian opera buff was not quizzed on the Nibelungen Ring.

Despite such evidences of staging, however, the outer world universally undervalued the ingenuity and daring of the TV producers. "They know that they cannot afford to risk collusion with contestants," said prudent *Time*. "No TV quiz shows are fixed in the sense of being dishonest," said *Look*. And even the hyper-suspicious *Nation* accused the producers only of having "cut away the possibilities of risk to the bare minimum of whether or not the contestant knows the answer." The preeminent authority on quiz shows, Charles Van Doren, was reported by a news magazine as feeling "certain that no questions were being form fitted to his phenomenal mind."

To experienced hands, like the producer whose career took in *The Quiz Kids*, *Giant Step*, *The \$64,000 Challenge* and *Dotto*, form-fitted questions were elementary ingredients of the quiz business. His "basic and primary step" was to find out what the contestant knew: "You cannot ask random questions of people and have a show. You simply have failure, failure, failure. . . ." Another producer explained that if controls were not exercised, if he could not help one contestant defeat another, all drama would be lost and the performance would deteriorate to "a staring process." The likable contestants who returned week after week, building up bankrolls, rooters and ratings, could not be permitted to lose abruptly; unappealing

contestants could not be permitted to go on annoying or boring spectators for too long. Particular care was taken that the celebrities invited to *The \$64,000 Challenge* would not reveal unbecoming ignorance before their fans.

A further incentive for control on several of the shows was their budgets. The sponsors of *Twenty-One*, for example, agreed to pay out an average of \$10,000 a week over the contract period in prize money. If this figure were exceeded, the game's packager had to pay the excess. It was an invitation to thrift, and in one insanely parsimonious hour, the packager coerced a big winner into signing the following statement: "In order to protect my winnings, I hereby agree to the following settlement. On sums between \$40,000 and \$60,000, I will take \$40,000. On sums between \$60,000 and \$80,000, I will take \$50,000. On sums between \$80,000 and \$100,000, I will take \$60,000." This economical agreement was never put into effect, but it indicated that something was on the producer's mind. He also instructed the producer of *Tic-Tac-Dough*, another of his properties, to take care not to go over the \$6500-a-week average allotted as prize money for the thirteen-week contract period, and in consequence the latter became very budget-conscious. To keep the show exciting but not expensive, he would allow a contestant to win until he had built up a sizable sum, then arrange a series of suspenseful ties to keep the winner on a plateau for a few frugal weeks and even give him a chance to lose back a little before being toppled. An acquaintance whom he put on the program reached \$47,000 before he was told "we only want you to take home ten or twelve." The man finally bowed out at a fairly sensible \$19,700. *Dotto's* sponsor cautioned the show's producer after \$11,000 was won by a contestant, and less money was given out the next week; at least one winner was eased off with the explanation that he had reached the limit permitted by the budget. And it was discovered that *Name that Tune's*

automatic Dancing Decimal machine, which was supposed to determine a contestant's winnings, could be adjusted to register \$85 instead of \$85,000.

The vice president of the CBS Television Network who came to the distressed conclusion that it was "terribly stupid" of the producers to rig their shows "because they have killed something that was terribly valuable to them" overlooked the point that the shows would not have been quite that valuable if they had not been quite that rigged. The fixing of contestants was a natural theme in a symphony of false notes. There were the soundproofed isolation booths whose main practical function, it turned out, was to prevent the well-briefed contestant from prompting the studio audience. There were the Manufacturers Trust Company and the Chase Manhattan Bank which, like good neighbors supporting the annual bazaar, lent their names, their officials, their armed guards and their vaults to the proceedings, and the safe manufacturer who paid the producers \$300 a week for a sign reading "Protected by Diebold, Inc." to be displayed as the secret questions for next week's \$64,000 *Question* were placed in a cardboard safe.

Outside of the possibility that a band of lunatic New Yorkers, Irishmen probably, were plotting a raid to learn the capital of Saskatchewan province, it was difficult to see just what was being protected by all of the institutional paraphernalia. Human hands, after all — and producers' hands at that — were entrusted with bearing the questions to the security of their safe deposit boxes in the first place, although bank officers seemed to believe that the transmittal was accomplished by closed-circuit television. The main effect of the security arrangements was to inconvenience the producers who, when they wanted to alter a question before showtime, now had to make a special trip to the bank.

As to the questions themselves, they came with the impi-

maturers of the *Encyclopedia Americana*, the *Encyclopaedia Britannica* and a Northwestern University professor named Bergen Evans, who was making a second career for himself in television and popular magazines. *Twenty-One* used the *Britannica*, and *Dotto* relied on the *Americana*, until the latter's Editorial Board concluded that only modest resources of scholarship were needed to find out that *Moses* was sculpted by Michelangelo and allowed its name to be used without going through the formality of actually checking the answers beforehand. *Americana* continued to get its name mentioned; Professor Bergen Evans got \$150 a week and *his* name mentioned; the banks got their names mentioned. Never in the history of mass communications have scholarship and high finance been so happily met.

But sober-suited personifications of integrity like bank vice presidents and college professors make heavy going for television, and the producers needed to leaven their product. Like the child who will not take a bite of food without petting and tricks and promises of chocolate, the mass audience is a spoiled eater; even when the dish is so soft that it requires no teeth, the babe must be tantalized into swallowing. So the producers, as well as spicing their games with a rackful of tension-arousing techniques, made sure to sweeten it with sentiment. The director of *The Big Surprise* would encourage his contestants to make public their need for cash, exhorting them: "Put your heart on your sleeve when you tell about it, fella — *sell* it."

For six of his eight weeks on *Twenty-One*, Herbert Stempel, outfitted in a double-breasted suit that had belonged to his father-in-law, a frayed shirt and a loud-ticking six-dollar wristwatch, was cast as the poor, brilliant, humble City College student having his first hour of deserved success. While everybody else called the master of ceremonies "Jack," Herbert had to call him "Mr. Barry," and his wife was hustled out of the

TV studio when she appeared there one evening in a Persian lamb coat. When on December 5, 1956, the same unmysterious fate that had given him fortune served him prepackaged defeat at the hands of Charles Van Doren, poor, humble student Stempel held to character: he was going to use his winnings, he said, to buy clothing for his family and make a contribution to CCNY "to repay the people of the city of New York for the free education which they have given me," and guard the rest. The master of ceremonies sent him off with \$49,500 and these words: "Herb, I want to say one thing — we may have a lot of contestants in the future, but I doubt that anybody will ever display the knowledge, the fighting spirit and the courage that you have on this program. [Peace, Charles Van Doren, Hank Bloomgarden, Vivienne Nearing, Elfrida Von Nardroff.] We, your friends — all the students at CCNY, I'm certain, are just as proud of you as we are, and deservedly so."

There is no favoritism in an MC's makeup; neither he nor his script-writer is ever at a loss for a pleasing word. Like a relative who can be depended on to say the correctly fatuous thing whether at a wedding or a divorce, he will inspire prospective winners ("Well, I can see that you are a plugger and maybe you'll earn enough money here on the program to help you write something really startling so you can really get it published") and commiserate with new losers ("Gee, Phyllis, I'm awfully sorry. I really am, because I know you wanted and needed this money desperately"). The quiz-show master of ceremonies, symbol of television, major link between watchers and watched, was thoroughly type-cast. Besides being a conductor of bathos and excitement ("... The most monumental game in the history of our program is about to take place"; "... Remember, boy, you have a lot at stake"; "Boy, it's been a terrific night!") he was the unabashed spokesman for the obvious, who made sure that nothing was left to anybody's imag-

ination. Most important, he was the representative of the audience onstage, the ordinary guy among the highbrowed strangers.

In an abominable but informative novel about quiz shows called *The Hot Half Hour*, the adman-hero tells a program producer that it would be a serious mistake to use a professor as his master of ceremonies: "What you want here — for the go-between — is a shnook. A nice-looking young lamebrain. He can't know an answer, and when he reads one you have to feel he didn't know. He must react — honest amazement. . . . In other words, he must be Mc. That will build the empathy. The egghead destroys it." This principle was first applied successfully to *The Quiz Kids*, which began broadcasting in 1940; the program's MC was given to exclaiming: "Land sakes alive, ain I ever dumb!" Eighteen years later, a new generation of MC's was, in John Lardner's estimate, still trying to "feign a degree of lowbrowed ignorance that is actually beyond human power to achieve."

He overestimated them — or possibly he underestimated them. Rarely, even on television, has such a stream of gibberish run so free. Whatever was put into their mouths these men regurgitated with enthusiasm, as if to demonstrate Karl Jaspers's point that in the cultural chaos that now exists, anything can be said, but only in such a way that it signifies nothing. Their near-hysterical small talk made even the advertisements for Geritol, invigorator of "tired blood," for Zarumin, the pain-reliever with the inner pill and the outer pill, for Sominex, which contained not just one but three medical ingredients, seem rational by comparison.

It was a tribute to the power of commercial television's conventions that with all their strivings for an unrehearsed air, the quiz producers and agency copy writers made not even a passing gesture at giving credibility to the MCs' discourses. Their transitions from game to advertisement, for example, no mat-

ter how colloquially phrased, cried out for disbelief: "Oh, questions, questions — I guess I've asked thousands of questions at one time or another here on television. I haven't got enough used to it yet, but there is one simple question that I think everybody asks everybody else — I think you know the question — what's the weather gonna be like? Well, from the reports that we have had from all around the country and especially right here in New York — it's been hot and cold and unseasonable and it looks like we're really in for a tough, rough winter. And I think you know what that means too — it means plenty of sickness."

When Charles Van Doren made his first appearance on *Twenty-One* on the evening of November 28, 1956, the master of ceremonies was actually made to ask him: "Just out of curiosity, Mr. Van Doren, are you in any way related to Mark Van Doren, up at Columbia University, the famous writer?"

"Yes, I am," the young man obediently replied. "He is my father."

And the MC exclaimed: "He is your father!"

The studio audience, which applauded all of the commercials, did not groan at this exchange. It had long since gotten inured to being patronized by the mass media.

The coaching of contestants fitted in with all the other elements of the quiz shows — the fancy props, the purposeful confusion of memory with knowledge, the hard-forced emotions and high-pressure spontaneity. When what is true or reasonable must give way to what is interesting, a prevailing rule of mass culture, then honesty becomes a foggy proposition. How far might one go in the carnival atmosphere of the quizzes before one had gone *too far*?

"There are areas in which honesty is required, others in which it is not," wrote Gilbert Seldes, as kindly disposed a critic as television could wish, when the shows were at their height of popularity. "Entertainment is in an ambiguous position,

but not at all ambiguous is the rule of sense: a program presented as unrehearsed must be unrehearsed. The importance of being honest about these matters is a double one: if the audience is being deceived, it may resent the imposture; and if the imposture continues, the use of television for downright falsification will become that much more common. One is a practical, the other a social effect, and they are interconnected."

The judgment reeked of common sense, but social effects were beyond the professional compass of the quiz-show packagers, and although, like everyone in their business, they were highly sensitive to audience reaction, there was no hint of resentment in the air. No one cried "Fraud!" at the jerry-built conversations that were passed off as repartee.* Everybody seemed to take the bank guards' extraneous presence in good spirit. Would viewers have been outraged to learn that some of the perspiration that glistened on *Twenty-One* was produced not by nervous strain, but by lack of air conditioning in the contestants' booths? Or that performers were advised to pause a given number of beats before answering, to pat their brows instead of wiping them, to *uh* and *ah* here and there ("... let's see — she was that lovely frail girl, Eva Saint, uh, Eva Marie Saint"), breathe heavily into the microphone and sigh? When during Herbert Stempel's reign a columnist reported that the wife of The Penniless College Student was the daughter of a wealthy man, the item caused no sensation, and nobody but the producer even noticed when after six weeks in

* *Dotto MC*: And I understand your ambition is to be a model. Are you working here in New York?

CONTESTANT: No, not yet. I only model down in Jacksonville, for stores down there, and came up to New York with big hopes — but that's all I've got — a hope.

MC: Well, may I say that you look very well in your hopes, Connie, indeed. You're not married then, I take it?

CONTESTANT: No. . . . I guess I'm just an old maid.

MC: I've got a bulletin for you, Connie. In America if there were more old maids like you there'd be a lot more butlers too . . .

the old blue suit, Herbert changed to a single-breasted model and let his hair grow.

Because carnival-goers do not seem to mind that the thrills are cheap and the prizes tawdry, carnival operators are tempted to fix the wheels too. They count both on the ignorance of their happy dupes, and on the strength of their desire for fun. "In a high percentage of cases," one of the planners of *The Big Surprise* said publicly after his show left the air in 1957, "the program went in accordance with the plot" — and the admission caused no excitement. New York *Times* TV reviewer Jack Gould made the entirely just point that if the casting and staging had not been done with care, the first to complain would have been the public. When the producer of *Dotto* said that "control" seemed to be "inherent to the format of the show," he was making a comment on the difficulty of stimulating a logy audience, surfeited with gimmicks, suspicious of hucksters, yet willing to subdue its qualms as long as someone entertained it and kept entertaining it week after week.

"To satisfy these new cravings of human vanity," wrote De Tocqueville of a closely related phenomenon of cultural democracy, "the arts have recourse to every species of imposture; and these devices go so far as to defeat their own purpose." Each week the TV producer's job becomes more difficult. The audience which asks so little in quality makes unmeetable demands for novelty; what little it experiences is soon too much. And each season the creators of television are faced afresh with the task of bringing a twenty-six-week tingle to the vast tribe of jaded ignoramus that holds them in plushy thrall.

It being understood among professionals in the field that controls were indispensable to a successful big-money quiz, each producer still had to decide how they would be exerted in his particular quest after "excitement, tension, pace, drama."

The basic technique, used most diligently on *The \$64,000 Question*, was to discover by lengthy conversation a contestant's strengths and weaknesses and then to custom-tailor the questions to fit. If the category was "Shakespeare" and the contestant knew the tragedies but not the comedies, the producer's course was indicated as implacably as Macbeth's was by the dagger. As New York Times reporter Russell Baker summed up the "inferential" method of control, first the contestant gave the answer, then the producer provided the question.

This procedure required considerable patience on the part of the producer, but it had the great advantage of avoiding frank conspiracy and thereby guarding against the possibility that a contestant would blurt out, as one once did, "I'll take the three-part question . . . I mean the ten-point question." Many of the contestants were apparently not even aware that somebody up there in the control booth liked them. Others, less fortified by ego perhaps, did suspect that they were receiving aid from a mortal — particularly when they were asked on the program for an answer which they had been casually supplied with in a warm-up session two hours before air time. This relatively crude "playback" method was resorted to by the producers because the inferential technique sometimes slipped up, as in the case of the little old lady expert on public monuments who at the critical moment couldn't remember Trafalgar Square.

Even where answers were actually given out, producers of *The \$64,000 Question* and *Challenge* strove for subtlety: "For instance," one of them explained, "if a man's subject was American history I might begin asking him a series of questions on American history. After some minutes' discussion, I would ask him whether he knew on what date the first inauguration in Washington, D.C., took place. He might say 'No' and I would mention to him that it had been in 1801. We then

might proceed with other questions and answers in the area of American history for fifteen or twenty minutes, and then I would ask him if he knew when Thomas Jefferson was elected President. He might answer, 'Yes, he was elected President in 1800.' We would then proceed with our discussion. On the show following this interview, the question asked of this contestant would be: 'Can you name the first President inaugurated in Washington, D.C.?' " In the image of one of the contestants, a folksy part-time minister from Tullahoma, Tennessee, who was never asked a question that he hadn't previously answered off-camera, ". . . they hung an answer out where I could pick it up if I was not stupid." The minister turned in such a picturesque performance in the category of Great Love Stories that after taking home \$16,000 from *The \$64,000 Question*, he was promoted to *The \$64,000 Challenge*.

The line between the "inferential" method of control and the "playback" method was excessively thin to begin with, and the constantly accelerating drive for more exciting shows soon rubbed it out of existence. A former advertising vice president for *The \$64,000 Question*'s sponsor interpreted the crasser controls as "an act of desperation in trying to save a program which had lived through a most unusual period of television history. From the highest rated show it had declined gradually — from a top ten rating to one of average status. In the first year or so of the program nothing could go wrong; yet, as the ratings showed, the declining curve of audience response meant that more striking contestants, higher dollar prizes, and even the use of celebrities was necessary to maintain viewer interest. I believe the producers felt this pressure and resorted to rigging and fixing to save their property and satisfy the sponsor."

The problems facing *The \$64,000 Question* in finding personable performers who were expert in some interesting field or other were slight compared to those facing *Twenty-One*,

which needed human beings who were expert in *all* fields. *Twenty-One* was a brilliant conception, demolishing at a stroke the pretensions of the rival quiz shows, like a Man of the Renaissance outshining a roomful of pedants. As a piece of one-upmanship it was not to be surpassed; unfortunately, due to the laggard pace of the mind's evolution, it was absolutely unworkable. True, a girl psychologist on *The \$64,000 Question* demonstrated that she could become a boxing expert with a few weeks of cramming, but how was one to go about boning up on *everything*? Even Teddy Nadler, the most authentic memory machine unearthed by the quiz shows, was strong in a bare half dozen categories.

Still, except for its single deficiency, *Twenty-One* was a swell game, full of ingenious embellishments. The contestant was given control of his destiny to a greater degree than ever before — he could decide how high to reach, how much to risk; his winnings were potentially unlimited yet always at the hazard; the game was not solely a challenge to his knowledge, but to his daring as well, a gambler's game in addition to a scholar's. *Twenty-One* was a first-class specimen of manufactured excitement, an epitome of television.

The packagers found almost at once that if the game were run honestly, they would be loaded down with pale contestants who — even the palest of them — would in all likelihood never reach twenty-one points. Unreached experts had a damnable way of missing questions and slipping back to zero. It took a very few performances before the chief packager realized that his property, this contest that had seemed so thrilling in concept, would surely perish of audience ennui if something were not done. The genteel techniques of inference and playback familiar to his trade promised no remedy since the contestant was not supposed to know what category from the whole range of human knowledge he would be tested on next. The only sure method, the packager decided very early,

was to breed his own winners — not just tell them in painstaking rehearsals what to answer (“None of our contestants has ever complained of getting an unfair question,” he would boast later) but how to answer it; to engage engaging figures and provide them with photogenic traits, pit them against fall guys, put them in danger, rescue them, permit them to be brilliant for long stretches but in a human way (“Oh my goodness, you want me to name the second, third, fourth and fifth wives and what happened to all of them”); let them fight hard, lose well and be retired with the affection of their countrymen, whose attention would immediately be turned to the new agreeable-looking champion.

Twenty-One’s success, as they say, is a fact of history. By caulking up the last small cracks of chance in their structure, the producers were able to plot suspenseful long-running ties and super-ties — an astounding number of them considering that it was supposed to be an unrehearsed game — from which the best man, the best-liked man, emerged victorious. Otherwise, their small bags of tricks had nothing particularly original in them: pause five seconds before telling what point you will try for, and stutter; in a seven-part question, take the first, second and third parts, skip the fourth, take the fifth, sixth and seventh, then go back, close your eyes and strain,* throw in a superfluous detail here and there — such as the fact that Thames is in Ontario. Nothing spectacular, but as accompaniments to their power to cook up ties and keep winners perking, they sufficed for their short, profitable day. Necessity fortified the packager of *Twenty-One* with the audacity to do

* The producers’ directorial limitations resulted in an embarrassing coincidence in March, 1957, when Charles Van Doren and Vivienne Nearing, tied at \$2000 a point, were asked for the names of the six vice presidents who had been elected to the Presidency. Each named the first three — Adams, Jefferson and Van Buren — in chronological order, skipped to the last, Truman, jumped back to Coolidge, perspired for a few moments and came through with Teddy Roosevelt.

what other men only dreamed. His daring earned the ultimate tribute after it was all over, when the former producer of *The \$64,000 Question*, that patient conversationalist, said: "I thought they were amazingly successful in achieving dramatic results."

The Betrayed

The quiz scandals yielded a fine crop of indignation. It could be found everywhere—among politicians, professors, editorial writers of the newspapers and magazines for which the quizzes had been a cornucopia of feature copy—but no one tended it with quite as much passion as the show's advertisers and network executives. The president of Revlon, sponsor of *The \$64,000 Question* and *The \$64,000 Challenge*, said that he had been hoodwinked; he was "absolutely flabbergasted." The president of the National Broadcasting Company said that he had been victimized, the chairman of the board had been betrayed by those he trusted, and a vice president's confidence had been misplaced. The president of the Columbia Broadcasting System said that he was naïve, and one of his vice presidents said that he too was naïve and he was shocked as well. The president of C. J. La Roche and Company, one of Revlon's advertising agencies, was also shocked. The executive vice president of Batten, Barton, Durstine and Osborn who was in charge of the Revlon account for almost two years was shocked and appalled. A vice president of Ted Bates and Company who had handled *Dotto* for Colgate tooth paste said that the news of a fix was "shocking . . . it came as a distinct shock to all of us. . . . that is a shock to me. . . ." (One of the quiz packagers expressed shock at this man's shock.)

Although outsiders may detect in such a chorus a suggestion of disprized love, the networks, agencies and sponsors had all had their affection for the quiz shows reciprocated in full

measure. "We were providing the network with a top-rated show," said a producer. "We were providing the agency and the sponsor with a show that sold his product. So the network was happy, the sponsor was happy." When a grandmother who worked in the shipyards won \$32,000 on *The \$64,000 Question*, the master of ceremonies burred, "Well, Mrs. Kreitzer, the Bible has finally paid off for you." It paid off for everyone else too — most spectacularly for the advertisers. The net sales of Revlon, Inc., jumped from \$51,647,000 in 1955 to \$85,768,000 in 1956, *The \$64,000 Question's* first full year on the air. The sponsor of *Twenty-One*, which started up a year later, could take pleasure in his sales charts too; the 1957 sales of Geritol were more than \$3,000,000 higher than in 1956. When New York County District Attorney Frank S. Hogan suggested that the quiz contestants might be indicted for conspiracy to defraud the sponsors, it was evident that he was having a hard time finding a viable charge.

Pharmaceuticals, Inc., makers of Geritol, had had a long as well as rewarding relationship with the packagers of *Twenty-One*. Between them, they brought America such shows as *Life Begins at Eighty*, *Juvenile Jury* and *Wisdom of the Ages*, and when accusations of rigging first arose, the firm stood loyally by its associates: "They [Barry and Enright] are above reproach," announced Pharmaceuticals, Inc. "In our own investigation of the charges, we haven't found a thing that would personally implicate those two fellows in any way." Later there would be time for shock.

It is not possible to exaggerate the importance of mass advertising to the makers of patented restoratives, cosmetics and medicine-cabinet sundries. Forty per cent of the cost of making Geritol went to advertise the stuff, not an exceptional proportion in the nostrum field. Most of the advertising was done on television, which offered an ideal audience for the peddling of Geritol and its cousins, Sominex, Zarumin and De-

vorex; it was incredibly large and highly susceptible. The conjugation of a mass audience with businessmen whose products require mass distribution — soaps, cigarettes, cars, cold remedies — accounts for the bulk of American television. At the time that *Twenty-One* was going strong, Pharmaceuticals, Inc., was also sponsoring *To Tell the Truth*, *The Original Amateur Hour* and *The Guy Lombardo Show*. For advertisers, one medium or one program differs from another only in the number and “quality” of the customers it can deliver, and the quizzes, very popular, relatively inexpensive by television standards, were really delivering. Among the entertainment packages purchased over the years by the Ted Bates agency, specialists in minty breath and efficient bowels, were *Dotto*, *Tic-Tac-Dough*, *Name That Tune*, *The Big Payoff*, *Top Dollar* and *Concentration*. Despite popular belief, advertising executives do not determinedly seek out bad shows; whether they personally love Lucy or Lassie is not relevant to the arts of merchandising. “As far as my own function is concerned,” explained a Ted Bates TV expert, “I have to look at an audition or a kinescope of a proposed show and determine whether I think the American public is going to respond to it and tune it in and thus get enough circulation to make it worth a sponsor’s while to put up millions of dollars to sponsor it.”

As long as the quiz shows did well, even fairly well, most of the advertisers did not tamper with them. Since they could cancel their sponsorship at the end of each thirteen-week contract period, they might safely assume that packagers would keep their interests in mind. The advertisers preferred to concentrate on the wording of the commercials for Colgate Dental Cream with Gardol, which provided an invisible shield around the teeth, and for Florient, which came in four fragrances — the popular floral, new tangy spice, refreshing mint and zesty pine: “No other air deodorant — only Florient — gives you this choice.”

But not every quiz advertiser was able, or willing, to contain his creative energies. One, in particular, kept so close a watch on the course of his show that the producers came to feel they were collaborating with Big Brother. "There is a tradition in television, at least to my knowledge," said one of them, "of trying to please the client. If you have a client whom you see once in thirteen weeks, pleasing him becomes a relatively simple matter. But if you have a client whom you see each week, a very persuasive client, pleasing him becomes far more difficult." The persuasive client was Revlon, maker of lipsticks, et cetera, which worked as hard at painting up its quiz shows as ever it did at painting the American woman.

Revlon had a ferocious reputation along Madison Avenue; it gobbled up account executives by the dozen and changed agencies annually. In part it was hard to satisfy because of the overriding importance of advertising to the cosmetics business, whose stock in trade is a cheap product in a fancy case. It was the use of themes like "Red Caviar," "Pink Lightning" and "Plum Beautiful" that brought Revlon to dominance in its perfumed field, and its seven- to eight-million-dollar investment in quizzes — almost sixty-five per cent of its TV budget — was accompanied by trebled sales and a sevenfold increase in profits. The company made a great deal more from the shows than all of the contestants and producers put together. But there were personal as well as commercial forces at work. Revlon was a one-family firm, and like other individually run concerns suddenly grown great, it had not yet been smoothed out by the doctrines of Human Relations; power had not yet been distributed and made impersonal.

While representatives of the cigarette manufacturers that co-sponsored *The \$64,000 Question* held only infrequent policy meetings with the producers, Revlon insisted on weekly conferences at its own offices, where ratings charts based on specially purchased overnight telephone surveys were arrayed por-

tentously on one wall. Every aspect of the most recent show was picked over, its ratings were pointedly compared with those of other programs, and criticisms were delivered in the harshest terms ("I never found any pleasure in these meetings," one of the producers reminisced); in between meetings, there was a continuing barrage of detailed memos from the sponsors to the producers: ". . . let the farmer become champion and find a good city slicker to compete against him in another contest." The memos were cut off abruptly after a decision to end a certain match the following week and to advance a certain contestant to a new plateau was put in writing. "This famous last memo," said the man who was in charge of Revlon's advertising at the time, "was a crude translation into plain language of what had been the general purport of the meetings."

The sponsor's voice at these conferences was that of Martin Revson, brother of Charles Revson, ruler of the company. (Charles, said the long-time Revlon advertising vice president, was satisfied "to scream at me if the ratings were not up.") In Martin Revson's recollection, the meetings were decorous affairs: "We made suggestions to the producer as to what we considered picturesque, interesting contestants. It was up to the producer then to determine whether he wanted to follow our suggestions or not." Martin Revson had perfect faith that Professor Bergen Evans was writing the questions and the Manufacturers Trust Company was guarding them. He was, along with everyone else, shocked at the producers' admissions. In fact he was more shocked than most. "How did I ever sit in the same room with a person who could do a thing like that?" he asked himself.

If one accepts all this, then the weekly meetings were recreational charades or, at best, opportunities for the sponsor to lord it over his hirelings, and send them off white-faced and shaking. (Martin Revson's feelings were hurt at the way the

producers talked about him: “. . . you would think I was an ogre . . .” To show that he was not an ogre, he smiled. “I can smile. You see me smile now.”) But if Mr. Revson was no sadist, he was not a man with the patience for pointless meetings either. Whether he or brother Charles knew or guessed precisely what techniques of control were being employed on their shows, their claim to total innocence (“It never entered my mind that a producer could control the losing or winning”) is something too much. Their own advertising representatives who sat in on the meetings understood that controls were in effect when, as the BBD&O man put it, “the discussions in anticipation of programs seemed to become fact when the show was on the air. . . .” (The only person at the meetings, excepting Martin Revson, who later claimed to have had no inkling that the shows could conceivably have been controlled, was the president of Revlon’s latest agency. He explained to the investigating Congressmen that the Revsons — his fourth largest client, accounting for \$240,000 in commissions — “asked me to come and tell what I knew.”)

At the very least, the sponsor’s weekly hectoring, abusive when not obscene, was a force that a producer, even a successful one, could not ignore. Given the nature and vicissitudes of the program, it could propel him only in one direction. Predictably, when the rigging was exposed, the sponsors took the line of high Bolingbroke renouncing Richard’s murderer: “Exton, I thank thee not; for thou has wrought a deed of slander with thy fatal hand upon my head and all this famous land.” Exton protested: “From your own mouth, my lord, did I this deed.” And Bolingbroke replied: “They love not poison that do poison need, nor do I thee.”

Although the Revsons’ personalized supervision over their shows was extreme for the industry, their approach to mass entertainment was typical of the commercial mind. They con-

ducted innumerable polls to learn which questions and contestants people had liked the week before, and then demanded more of the most popular. "If we had a man with a beard on," one of the producers recalled plaintively, "the conclusion was that we should get more men with beards. If we had someone with an exotic category, the feeling was expressed we should get more exotic categories. If we had a younger contestant, the cry went up that we should have a young contestant on every show."

In a medium where, except for news programs and documentaries, each item exists by the dispensation of some business firm, it is a lucky producer, writer or director who has not felt the fat hand of the overlord and seen his work shredded lest it give offense to an American Legion Post auxiliary in Alabama or distract viewers from the commercials. Few have had to endure the indignity of being pushed around by the Revson brothers, but even so the quiz specialists suffered less perhaps than more earnest talents who, bruised and angry, have fled television for Hollywood or Broadway or anyplace. Their distress is not comprehensible to the sponsors themselves, to their ad agencies or to network executives, who preach a kind of cultural communism, where everybody pitches in according to ability and investment, their motto, *The More Creativity The Better*.

"We do not claim to have a corner on creativity," says Robert E. Kintner, president of NBC, who is "always happy to have suggestions from his advertisers. . . ." "I don't think that we have a corner on all creativity," says Dr. Frank Stanton of CBS, "and I would like the competition of ideas coming in from as many different places as we can get them." (He exempts the government from this competition.) BBD&O's executive vice president says he believes "sincerely that the gamut of American business has the right and the responsibility to participate in the entertainment of television. By adding this

aspect to the networks and the packagers, better programming can result. . . ." What is more courteous, asked Erasmus, than the way two mules scratch each other?

It is a rare philosophy that undergoes so thorough a practical test as this one of sponsor-participation programming, and it is a marvelously consistent philosopher who after the experience of the past decade can continue to avow that he is proud of what he has committed and is looking forward to more. While the FCC goes through the motions of policing local licensees, it is the networks that run television, puppet governments operating in behalf of commercial powers. Now and then, someone suggests that the TV networks might adopt the form of advertising used by magazines, where the advertisement has no direct relationship to any specific article or story. Not all magazines are above selling or trading away a bit of editorial matter from time to time, but even at his most cooperative, the editor does not sit down with the businessman to select sentence by sentence what shall go into the next issue. The president of Coty, Inc., in a spirit of lively competition at the time of Revlon's discomfiture, proposed that businessmen keep hands off program content, adding whimsically that the sponsors should donate their quiz-show profits to some charitable cause. He considered that of all the parties involved in the scandals, "the dishonest businessmen [were] the most guilty ones." Instantly, the chairman of the board of the large advertising agency of Cunningham and Walsh leaped forth, brandishing pike like a Swiss Guard at a suspicious noise, preferring to appear ridiculous rather than let any hurt touch his Pope: "I would name in order of culpability the package producers, the networks, the agencies and last of all, the advertisers." Nothing came of the Coty man's recommendation — though CBS allowed it to be reported that it was mulling over the subject. Nothing will come of it as long as the present arrangement remains profitable.

It has been prodigiously profitable. Advertisers invested more than 1.6 billion dollars in television in 1960, and the earnings of the three networks that year came to 95.2 million dollars, compared to less than 10 million in 1952. During their joyous years together, the quiz shows contributed handsomely to the networks' bounty, with NBC receiving more than 6 million dollars from the sponsor of *Twenty-One* for its 105 showings. So enchanted was NBC with the program's popularity after its first month on the air that it was shifted from Wednesday, at 10:30 to 11:00 P.M., to Monday, at 9:00 to 9:30 P.M., where it was carried by many more stations, reached many more people and competed directly with the CBS prize, *I Love Lucy*. Within a year of *Twenty-One*'s debut, NBC culminated its love affair by buying the beauty for its very own, keeping the original packagers, Barry and Enright, in charge of production. A network vice president put his simple emotions into words: "*Twenty-One* was the first show we ever scheduled opposite *Lucy* that showed any promise at all. . . . Our time contract had, I think, a twenty-six-week expiration date with Pharmaceuticals. At the end of that period Pharmaceuticals would have been able to move the program to any other network. We were interested in retaining *Twenty-One* as an NBC feature. It was beginning to build. We felt that we wanted it as an NBC program. We wanted to keep it on NBC. The only way we could do that was to buy the program." To further enhance the show's value, the press was informed that NBC had paid 4 million dollars for it and a few lesser Barry and Enright properties — about twice the actual purchase price.

Over at CBS Dr. Stanton and his associates were having a romance of their own. To capitalize on the success of *The \$64,000 Question* in the summer of 1955, they did some schedule-juggling. *See It Now*, the network's most prestigious documentary series, was established in the time period immediately following the quiz, and the inertia of the TV viewer be-

ing what it is, *See It Now* would undoubtedly have gathered a far larger audience than ever before in its distinguished career. But men taken with a new mistress have a way of neglecting their lawful wedded wives. *See It Now* was not a money-maker, and no sooner had its time spot become commercially valuable than CBS yanked it out, replacing it after a while with another giveaway show.

All the quizzes were conceived and concocted by unlicensed independent producers, the packagers on whom the networks had come to rely for westerns, private-eye affrays and other solid family fare, the meat and potatoes of American television. This arrangement, which enables the networks to profit without dirtying their hands in the worst TV muck, served them as a refuge when the scandal broke upon them. "None of the programs that were on our network in the quiz area were produced by us," Dr. Stanton emphasized. "They were produced by outsiders. This is one of the reasons we weren't privy to the hanky-panky that was going on in the small group operating the programs." NBC's Robert Kintner, too, was eager to admit he had been "taken in by a small group of deceitful people." He suggested that it was "comparable to a teller in a bank taking money and the president not knowing anything about it." However, his absconding teller, a queer thief, had good-naturedly shared his loot with the bank's president, its depositors and a number of the community's most respectable citizens.

Similarities between the quiz-rigging and price-rigging cases impose themselves. Most of the men who actually did the job assumed that operating officials of the networks had a fair notion of the way quiz shows were run. "I think," said the packager of *Twenty-One*, "being in an industry for twenty or twenty-five years, you would have to be very unsophisticated or very naïve not to understand that certain controls have to be exercised." The producer of *Dotto* believed that "it was com-

mon knowledge in the business that controls were used in most quiz shows." Still, one does not discuss such matters openly ("I talked directly in a kind of vague way," said a publicity man), and as long as the shows did well, just how much Mr. Kintner or Dr. Stanton cared to admit they knew or could deduce was academic to the producers. They had learned, like the price-fixers, to be tolerant of the posturing of management.

When accusations that *Twenty-One* was being played with a stacked deck began to circulate in the fall of 1957, network officials were models of tact and restraint. NBC, which had bought out Barry and Enright for \$2,200,000 barely five months earlier, questioned only Mr. Enright, who assured the politely inquiring officials of what they heartily desired to be assured of — not by proving that he was honest but by asserting that Herbert Stempel, the turncoat contestant who had set off the fuss, was a neurotic. Mr. Enright claimed to possess a tape recording that proved the fellow had attempted to bribe him. Without asking to hear the tape, NBC applied gentle pressure to the New York *Journal-American* not to print Herbert Stempel's story. This single conversation with the producer, resulting in his psychological diagnosis, constituted NBC's entire investigation at the time. *Twenty-One's* publicity man said later, "It struck me then as sort of a situation where a husband may suspect a wife, but he loves her too much to ever want to really know. . . . NBC loved Barry and Enright in those days."

It took the publication of Herbert Stempel's charges by two New York City newspapers a full year later before NBC executives could bring themselves to ask the producers in clear English whether their show had been fixed. To the public, the network now announced: "The charges made by Herbert Stempel against the quiz show *Twenty-One* first came to our attention over a year ago. At that time, we made an investigation and found them to be utterly baseless and untrue. We are

completely convinced of the integrity of *Twenty-One* as a program and of the integrity of its producers, Barry and Enright." On the basis of an equally thorough investigation into *Dotto* in 1958, CBS reported that it had "failed to discover any improper procedures," and an advertising man who was in on the last hours of *The \$64,000 Question* got the strong impression that CBS was "dragging its feet."

The way the TV networks leaned over backward in giving benefit of the doubt to producers accused of rigging shows might be attributed to a scrupulous sense of fair dealing, were it not in such striking contrast to their stiff-spined behavior a few years before toward performers accused of being Communists and fellow travelers. In neither case did they make a real investigation; but despite first-person charges of finagling, they kept on the producers (at a salary of \$100,000 a year plus a share of the profits for Jack Barry and Daniel Enright), and blacklisted the performers out of deference to a couple of right-wing vigilantes. In the one instance, there were valuable property rights at stake; in the other the rights involved were only human.

The networks' prime concern up to the noisy finish was the same as that of the electrical firms in the price-fixing cases — to keep unfavorable publicity to a minimum. When NBC was finally driven to take over the actual production of *Twenty-One* and three other shows from Barry and Enright, it announced that it was doing so at the producers' own behest so that the latter could, as they said, "devote more time to disproving the unfounded charges against the integrity of our programs." When, following nudges from the Federal Communications Commission in August, 1958, CBS at length managed to discover some improper procedures on *Dotto* and canceled the show without comment, it respectfully asked the FCC to place its letter conceding that *Dotto* had been rigged in its "Not for Public Inspection" file.

Despite their best efforts, however, the scandal did come into the open, and then the aggrieved chiefs of the networks appeared, all sobriety and reason and excellent intentions. It has long been evident from their public speeches that these men either do not watch television much or get different programs on their sets than the rest of us, but now they surpassed even their own fantasies. As they spoke, one saw again those classy advertisements that take up the back page of the *New York Times* each week, which purport to be about television, but deal with a far higher world, free of inanity or violence or workaday claptrap. How sternly the network officials judged those few dishonest persons who had perpetrated a fraud on the American people. How forthrightly they accepted their modest share of responsibility. How broad and far-reaching their concept of television's role in a democratic society.

While imprisoned by Pope Paul III, Benvenuto Cellini had a halo appear on his head. It could be seen best within two hours after sunrise and at sunset, and more easily in Paris than in misty Italy. However, Benvenuto himself was always able to see it and to show it to others when he chose. Like the unsainted goldsmith, our network chiefs have halos that become visible when they point them out; they seem to shine most brightly among Congressmen and before women's clubs. In this time of crisis, the halos gleamed.

Harold E. Fellows, president of the National Association of Broadcasters, said that he welcomed the quiz-show investigations because they would bring out the full story of broadcasting's tremendous service to the American people. Robert Kintner reminded us that NBC had given the American people Perry Como and Dinah Shore, he also announced that the heads of the networks (not excepting ABC, which is without honor even among its own employees) are men of honesty and integrity, trying to operate their franchise in accordance with

the public interest. Frank Stanton of CBS said that the challenge to broadcasting was a bitter pill for him to swallow (a combination of medically tested ingredients?) but that he trusted the American people and that although the road ahead was rough and long, he was on his way.

CBS canceled its remaining quiz shows — a commendable move involving but minor sacrifice since its most profitable properties had already been forced off the air by scandal and old age. It replaced *The Big Payoff* with filmed reruns of *The Millionaire*, and *Top Dollar* with reruns of *December Bride*. NBC, with a bigger investment in the quizzes, held on a while longer, on the grounds that “millions of Americans like and want them,” only to drop *Tic-Tac-Dough* when it became apparent that millions, including its sponsors, had grown weary of them. The broadcasting industry, in alliance, met the challenge by setting up yet another publicity organ — The Television Information Bureau, “designed to create a better public image of the industry” — whose head at once got into the spirit of the thing and explained that the TV quiz scandals “illustrated dramatically what an integral and vital part television has become in our society.”

After making its public presentation in the fall of 1959, NBC was content to return to serious business and let the unpleasant affair fade into the back pages. But Dr. Stanton was in a more active temper. He fired the president of the CBS TV network, Louis G. Cowan, who had originally been hired by CBS as a producer following the great success of *The \$64,000 Question*, his brainchild. The method of ousting him was typical of an industry where one conscientiously avoids saying publicly what one means — in this case that his past involvement with quiz shows was no longer good for the CBS image. Mr. Cowan, a Peabody Award winner for his public service shows, did not abide by the rules. He wrote to Dr. Stanton: “You have insisted that any public statement place primary responsibility for my resignation

upon my health. I have insisted on greater accuracy; my health is now excellent. In consequence, we have been unable to write a joint statement."

Turning to CBS programing, Dr. Stanton came out against dubbed applause, canned laughter and use of that evocative TV phrase, "live on tape." The most pointed examples of deception that he could find on CBS were *Person to Person* (because the audience was not told that this interview show was not entirely spontaneous) and *The U.N. in Action* (because the audience was not told that questions had to be cleared with diplomats beforehand). A writer in the *Nation* commented that Dr. Stanton's attack on his news and public opinion shows was like opening an anti-vice campaign by cleaning up the parish houses. The producers of *Person to Person* resigned angrily, and Edward R. Murrow, who had originated the entirely inoffensive program, said: "Dr. Stanton has finally revealed publicly his ignorance both of news and the requirements of television production . . . cameras, lights and microphones don't just wander around a home. . . ."

Whether Dr. Stanton's peculiar performance was a diversionary tactic or whether he was thrashing about in an hour of honest distress, it succeeded — but then so did Mr. Kintner's more stolid reaction. The effect of the quiz scandal on the networks has been negligible. "Perhaps there was an excess of them [quizzes] from the point of view of balanced scheduling," said a CBS vice president after the fact. Perhaps tomorrow when they are no longer in fashion, he may come safely to the same conclusion about cowboys or private detectives. And Dr. Stanton said, "As I see it with benefit of hindsight, we should have been more thoughtful and critical of the whole idea of exposing to millions of families games in which contestants can win large purses." It is not yet convenient to apply hindsight to the values being transmitted by today's moneymakers.

(In the spring of 1963, the American Broadcasting Company

announced that it was offering to sponsors for the fall season a new rig-proof quiz package entitled 100 *Grand*. The network's vice president of nighttime programming was reported as saying that he had long been looking for a big-money quiz show that might open a revival of an era.)

One may sympathize with network spokesmen for preferring in public appearances to talk about their documentaries on the space age rather than *Have Gun, Will Travel*. The shows they produce themselves, such as *CBS Reports*, are among the better things that their medium offers, and there are men at all of the networks who given the chance would be happy to try their talents on more of these better things. But like the operating officers of other large enterprises, they are held back by the bonds of economics, law and myth. Advertisers, with rare exceptions, require that every program be aimed at the largest conceivable audience. The Justice Department requires that independent packagers be allowed an ample share of TV time—a requirement the networks are delighted to observe since it provides an economical source of potboilers to fill up peak viewing hours; today the three networks depend on the independents for a heavy majority of their shows, with ABC relying on them almost entirely. And our national faith in competition, even when unaccompanied by diversity, requires that CBS and NBC meet ABC on its own territory, overrun with badmen of the West, Midwest and elsewhere. Mr. Kintner got his \$150,000-a-year job with NBC after demonstrating at ABC that westerns were money-makers, and Dr. Stanton paid homage to the wayward network in 1958 by putting CBS programming in the hands of James T. Aubrey (\$140,000 a year), another ABC alumnus. Mr. Aubrey at once showed the mettle of his pasture by doing away with *Playhouse 90*, a series which had brought CBS some praise but insufficient profit. A fourth privately owned network could be counted on to further the debasement of the medium.

But the network chiefs are not able to speak seriously about these problems and have no incentive to do so. Like toy men, when called forth they parade along their track, chanting tributes to the taste of the American people and the creativity of sponsors, advertising agencies and the producers of 77 *Sunset Strip*. The quiz-show scandals were for almost everyone concerned an exercise in public relations — a successful exercise, since all but a handful of producers and contestants emerged unscathed.

Wherever plausibility is taken as a prime virtue and popularity as an ultimate good, workers in the mass media must be accounted leaders among men. But since their skills are for hire and their tricks may be imitated, the latest arts of pretense have been taken up by all manner of individuals and institutions that must, for motives worthy or despicable, out-face the public. Politicians shop around for an acceptable image like insecure maidens before the big prom, in need of hourly reassurance of what is becoming to their builds. Some try on and discard and try on yet again until whatever principles or personality they may have had at the outset are blurred and all that one knows for sure about them is that they want very much to be elected. Who, having followed Richard Nixon's public career, can say what else he stands for? Corporations, unable to change their profit-making natures, change their images instead. Institutional advertisements proclaim what they have decided it is expedient for them to be, and the country's most prominent businessmen, from Charles Revson protesting his humanity to a Congressional committee up to Henry Ford delivering a talk on business ethics, speak by leave of the ghosts in their public relations departments. The latter-day Imagists look at the sorry condition of the world and decide, with the president of Batten, Barton, Durstine and Osborn, that what is needed is a new Executive department,

staffed by advertising men who will sell America in ninety countries. The president of Ruder and Finn, public relations, having concluded that our society should do more to encourage dissent, proposes that a corps of officially recognized critics be set up whose ideas would then be sold to the public by trained promotion men. There is no end to their ambitions. The American Association of Advertising Agencies has given the publicity firm of Hill and Knowlton the mission of improving the advertising man's image among intellectuals.

In the past decade or two, the P.R. general staffs have been supplemented with tacticians in psychology and sociology, whose diplomas read *To Know Man Is to Use Him*. The anointed prophet of this group is Dr. Ernest Dichter, president of the Institute for Motivational Research, who justifies, expiates, and has the power to improve canned peaches by changing the label on the can. "I do not want to appear immoral," Dr. Dichter says quite often, and he believes that "if we had spent a lot more time in the last six thousand years in finding out how the Ten Commandments might be implemented, we might be farther ahead." But we have already advanced far enough so that we are able to listen as the most respected voices in our society talk the image-talk put together for them by others and not burst out in laughter or tears.

Writing of the experts who have been enlisted to redecorate ideas, institutions, products and people that haven't been finding a satisfactory market, C. Wright Mills warned, "When a man sells the lies of others he is also selling himself." The spread of television, providing entrée into fifty million homes of consumers and voters has put the selling price high. Experts indeed are needed to speak convincingly, or even audibly, to such a mob amid the general commotion. The sounds they make are to communication what the images they hope to convey are to truth. Among the men who own and run television, masters of the mass media and of its stratagems, the

gap between word and reality defies measurement. Under other circumstances, it would be grounds for commitment for psychiatric observation. Yet we listen soberly each time they deliver their set pieces about television's high responsibilities, as though they were really addressing us any more than their programs do, and are all in all reassured by their clean-shaven images. Sometimes we suspect we are being kidded — but who can begrudge them admiration, for they do it so well?

In an exegesis of Psalm Twelve — "They speak falsehood every one with his neighbor/ With flattering lip and with a double heart do they speak" — Martin Buber writes that the psalmist was suffering not merely from liars, but from "a generation of the lie." Falsehood in his time had reached "the highest level of perfection as an ingeniously controlled means of supremacy," and the psalmist foresaw the reappearance of the generation of the lie again and again in human history. Here, as with most other human failings and achievements, our distinction is not that we have been the ones to mark the trails, but that we are so good at paving them.

The Professionals

Like other industries, the mass media have thrown up a group of specialists to serve their needs. Standing between businessman and audience, as disdainful of one as of the other, their job is to nourish both. They are the descendants of Grub Street, where genius lay in doing third-rate jobs in first-rate style. Like double-jointed acrobats able to make a limb go its own way in disregard of the rest of the body, they suspend their native taste and intelligence for their time on stage, while their professional instinct takes over and does tricks.

Rock and roll may give them a headache, but they will compete to sign up Elvis Presley in his hour of glory. They may have some appreciation of the art of fiction, but they will pay extravagant sums for the works of Herman Wouk and Allen

Drury; magazine editors have a tradition of not being able to read the short stories they print. Where ideas are treated, these "digesters, rewriters and changers of culture," as Hannah Arendt calls them, have the knack of smelling out a usable sociological survey or psychological theory, and playing up its interest while they plane down its complexity to the degree that their particular audience requires. (Senators who believe that a left-wing mass magazine editor will slip subversive material into his pages are slandering his professionalism.) They are quick to spot hero material, whether in the form of Jacqueline Kennedy or Harry Golden, and quick to capitalize on it: The astronauts are paid \$500,000 for their first-person stories; Robert Frost is discovered at the wane of his life because he has been invited to a Presidential inauguration; Bishop Fulton J. Sheen and J. Edgar Hoover are proposed as \$64,000 *Challenge* contestants. For weeks the remarkableness of Charles Van Doren was celebrated by editors who detested the quiz shows and had slight regard for the man. And, finally, whatever is presented, from the love quests of Elizabeth Taylor to the death of Marilyn Monroe, is accompanied by the same mighty fanfare. Everything becomes vastly important on the twenty-one-inch screen or the four-color page. "Once the passion of Christ was needed to produce the resurrection and the glory," writes William F. Lynch, S.J. "Now anything can do it."

The touchstone of professionalism in television, movies and popular magazines is the ability not to be distracted by the meaning of what one is up to. The professional can only occasionally ask, "Is this worth doing?" but he must always ask, "How can this be done entertainingly?" For the best men and women among them — and they are very good people in many ways — it is a demanding role, psychically and intellectually, and they pay for it. While duller spirits in the mass media (propaganda notwithstanding, they are in the majority there as elsewhere) carry on their work in contented semi-consciousness,

the others cannot easily resign themselves to being cut off from much of the outer world and of their own inner worlds. Edmund Wilson's comment about American writers has application to them as well: what is fatal is to be brilliant at a disgraceful job.

Still, each fall bright English majors flock to become copy boys and girl fridays in television, advertising and related arts. One's vocational choices are not after all unlimited, nor quite controllable; sheer chance looms large and personal destiny is responsive to social pressures. In a society that puts a heavy money tax on the artist and scholar, work in the mass media becomes particularly alluring to those whose interests and talents might otherwise have led elsewhere, yet who lack the elusive qualities needed to hold out. A career in television can be lucrative, exciting, glamorous and so forth; it may even give the young demi-artist a chance to *do something*. Louis Cowan made a *succès d'estime* with his TV show *Conversation*, an oasis of intelligent talk amid the medium's jabber—but it was *The Quiz Kids*, *Fighting Senator*, *Murder at Midnight* and *Hollywood Jackpot* that established him in radio and made him financially self-sufficient, and it was *The \$64,000 Question* that got him his important post with CBS.

Television is a young man's game—in part because it is a new field, but also because it takes energy and resilience to keep abreast of swift-changing tastes and demands. The creators of mass culture are like men on surfboards, who must catch each wave at its crest and ride it under the eye of the owners of the board, if not the ocean; a spill is embarrassing and every embarrassment could end in disaster. They have no leisure to ponder what lies beneath the waves. The producer of *Twenty-One* was thirty-seven years old; he had made his way upward on the rungs of *Big Enterprise*, *Juvenile Jury* and *Life Begins at Eighty*, a record that prompted the chairman of the investigating committee to say, on behalf of Americans before

their sets everywhere, "I am quite impressed with the ability that you have, and I want to compliment you for it." The producer of *Tic-Tac-Dough* was not yet thirty-two, but had already been in television for seven or eight years.

The rules of TV's quiz games came easily to young, smart, ambitious men who somehow knew their way around years before they had been anywhere. The same quick-wittedness that forwarded their careers in television enabled them to pick up and apply the basic quiz-show controls without any need of a detailed manual, just as other gifted youths know almost by feel how to take apart an engine or crack a safe. The packager of *Dotto*, a man experienced in running controlled shows, explained: "When I engaged our producer, I engaged a man who had done quiz shows before. In engaging him I expected him to know everything there was to know about mounting a show, part of which — and this was never discussed as far as I can remember . . . [was] how to handle the controls. . . ." The producer, in his turn, "assumed that when my associates came to me from other shows they knew that the show had to be controlled, and that it would be their responsibility." He delivered no orientation lectures, distributed no directives. When, as in the electrical industry, someone was hired who did not take to the techniques of control, "he didn't stay long." *Dotto's* policy was in line with craft practices. A young man hired by another packager said: ". . . when you assumed the role of producer of a show of this nature, you assumed that these are necessary controls that have to be done, and you are not told in black and white."

When a man makes a thing, be it a table or a poem, his standards are ordinarily set for him by his object. Will he keep the table for himself or will he sell it? And if he sells it, will it be to a customer he admires or one whom he scorns? Is the poem meant to express the poet or impress the Hallmark people? To speak of the quiz shows, as Congressmen and others

did, as having had an inherent integrity that was undermined by the producers was to accord them a distinction they had never earned, which most of television has not earned. It remained for the defendants themselves to point out that they claimed no such honors for their work; they may have seduced the mistress of the house, but the house was not very respectable and she was certainly no lady. They were not tellers in a bank, merely showmen. The producers swore, and it was the major argument for the defense, that the guiding light of their professional lives was not honesty, just entertainment.

One after another, they took shelter in the philosophy of that fine philistine Sir Walter Scott, who proclaimed: "I care not who knows it — I write for the general amusement. Their case was put most effectively by the veteran producer of *Dotto* and *The \$64,000 Challenge*: "We took some people who were bright and amusing people and we put them on a television show that millions of people watched. We gave them the biggest experience of their lives. If they were lucky they won a lot of money; if they were not so lucky they won a little money. They were not injured or maimed. All they had was a lot of fun and additional reward. I don't consider that immoral, particularly if you have grown up in the entertainment business as I have." Even if he took a bit too much credit for himself and his fellows, his defense was not unreasonable. He had broken no bones. What pain came to the contestants was inflicted by the exposure, not by the deed. Except to a network official at bay, the producers were surely minor inhabitants of the ocean of sin, far too small to be cut up and fried.

And yet, accepting this much, their defense was somehow troubling. It is the same defense that all of television uses to explain away most of what it does, like aborigines sweeping their plagues into a deep hole. A very deep hole, with a limitless capacity for whatever is phoney, brutal, crass or silly. When the industry pays homage to the god-demon of entertainment,

it is part of a ritual, an institutional cleansing, and need not be taken seriously outside the clan. But there is something more at work when an individual must look to the whims of entertainment for guides to his own conduct, when professional competence becomes mixed up with personal conscience. All professions are prone to this confusion, and it takes an exceptional man to act against the values of his own professionalism.

By resorting so eagerly to the easy plea of Entertainment after the quiz-rigging was exposed, most of the producers actually did themselves something of an injustice. They made it seem that through the entire experience they had never felt a qualm, that they wholeheartedly enjoyed the rigging. But their feelings were not so simple. Although their professionalism did conquer without any great struggle, they were not by nature freebooters, and whether out of fear, distaste or guilt, they took small delight in their deception. Workers in the mass media are by no means an antisocial gang—they are at least as civic-minded as card-holders in other trades. If anything, their manners are better, their interests broader, their personalities sunnier. Placed beside the ordinary run of businessmen, they are in every way more cultivated and more civilized; no TV producer would tell a Congressional investigator, "Drop dead," as did the department store owner suspected, correctly, of paying to get an employee on *The \$64,000 Question*. Professor Bergen Evans, in an unexpected choice of phrase coming from an English teacher testifying for the defense, said the producers he knew were "all honorable men." And once they stopped telling lies, the TV contingent made a most engaging showing as witnesses before Congress.

But even a sound constitution needs the support of its environment, and the mass media are not salubrious neighborhoods for the development of character. They reward the exercise of ingenuity, not the maintenance of personal standards,

and life is easiest there, as elsewhere, for those to whom compromise is a familiar companion. Television is filled with jobs that are sought after not because they offer much in the way of actual accomplishment, but because of the *sense* of accomplishment they provide, the creative kick even when nothing worth noticing is created. At their most trivial, they are still stimulating. Work in television, one often hears, is "challenging"; it is "creative" and "satisfying"; the jobs are "fun jobs." But the challenge of entertaining twenty or thirty million families every week, however exhilarating, strengthens no moral sinews.

Television, everyone who looks into the subject concludes, is a frightened business, and the fright is centered in its producers. Our Madison Avenue culprits, dear to novelists and journalists of the 'fifties, are surely the feeblest specimens of national villainy that America's social protest literature has yet uncovered. The combination of high but unpredictable rewards, shaky standards, peculiarly insubstantial talents and total dependence on the vagaries of public favor breeds chronic insecurity. At best a producer may own a program that could go out of fashion next season or next week; more generally he works on a show for a large packager, owning nothing but his own wits, which must finally grow weary in their frenetic search for something new, something different. "Whether you have a hit show or not," said one of them, "as you begin approaching that cancellation date, a set of jitters sets in." In their fast-moving, chancy game, any failure may be their last one; since their businessmen-masters are not paying out hundreds of thousands of dollars a season for worthy tries, they have no claim to what Aaron Copland calls the artist's right to be wrong.

Sponsors are regrettably unconcerned with the character-building of young producers. Pitted against a firm like Revlon, whose hard-boiled owners have not yet been tamed by Madi-

son Avenue expertise, the tillers of television find themselves at an immense disadvantage. Their skills lie in organizing giddy theatrics, childish games and the like, while the House of Revlon, for all its fancy decor, is solidly constructed on dollars and cents. (This difference still causes suspicion among less advanced businessmen. During the quiz scandals, an old-fashioned manufacturer from the Southwest commented: "All the present hullabaloo has arisen just because those crumbs in Hollywood and Madison Avenue are getting caught up with at last.") The TV producers, moreover, are generally well-bred, with a tendency toward self-consciousness, whereas the Revsons have never studied up on the sciences of interpersonal relations, are used to being boss and are not diffident about exercising the boss's prerogatives.

But even the more fortunate quiz producers, who did not have Revsonesque sponsor trouble, suffered from worries indigenous to their trade. At the very time that they were radiating success, they lived with the reality of failure. Dante came upon such men in the Sixth Chasm of the Eighth Circle of Hell — painted figures going slowly round and round: "Outward they are gilded so that it dazzles; but within all is lead. . . ." The first contestant whom packager Daniel Enright attempted to fix for *Twenty-One*, then but a few weeks old, recalled that the latter appeared to be very nervous: "You are in a position to destroy my career," Mr. Enright told him. Another *Twenty-One* contestant, who answered a question he had been instructed to miss, said that the show's producer arrived at his dressing room "in tears saying that I had ruined him. . . ." And when a sixteen-year-old girl on *Tic-Tac-Dough* muffed her part and defeated her opponent instead of tying him on schedule, that producer rushed across the stage to her during the station break, "pulling his hair out, and he said, 'Do you realize what you have done!'"

The prospect of exposure would have shaken stronger spirits

than these, already high-strung and vulnerable. In an odd mixture of public relations bravado and sheer desperation, they reacted with months of lies, half-lies, evasions and chest-puffing. "The truth will out," declared Jack Barry on *Twenty-One*, where he had been saying silly things for so long that no one could take it amiss. His partner, Daniel Enright, the brains of the outfit, announced very near the end, far too late for more pretense: "I am confident that when the full story is released, the victims of the unfortunate situation will be completely exonerated, and the American public will know, after seeing all the facts, where to place the blame for this mess." The pair also went through the motions of bringing libel suits against the two New York newspapers that first carried Herbert Stempel's charges.

While the chiefs were uttering war cries, their right-hand men were going through a frantic dance behind the scenes. Their performance culminated in perjury and actions that came close to subornation of perjury. "I was panic stricken . . ." said the producer of *Twenty-One*, who contacted a dozen former contestants when the grand jury began calling witnesses. "I was panicked," said the producer of *Tic-Tac-Dough*, who, in hopes of reciprocation, assured between twenty and thirty former contestants that he was going to deny that he had given them questions or answers. "I was terrorized, and I did it." They lied and lied, but they suffered too, and that, after all, is a sign of grace.

"In the long run," wrote Thoreau, "men hit only what they aim at. Therefore, though they should fall immediately, they had better aim at something high." The quiz packagers and producers, having taken aim at success in television, scored a bull's-eye, in some cases a succession of bull's-eyes. They were not, it is true, abiding by ordinary rules of archery, but neither was anybody around them. On the field where they competed,

the queerest-shaped bows and arrows were admissible. They would have preferred not to have had to use controls; they were uneasy about making pacts with contestants. But once committed, their actions were not out of place in the TV entertainment carnival. The longer the rigging continued, the more natural it seemed, until after his years of quiz-organizing, Daniel Enright could almost believe that the act he had put on was no different from a magician's act or a mind reader's. It is easy to be impaled on one's own success, and in his career success was not possible without deception.

Every line of work breeds its own delusions, and if people in entertainment and advertising seem more severely possessed than most, it may be because of their constant professional reliance on excess and exaggeration, on blaring trumpets and blazing italics. When *Giant Step*, a quiz show for children, was threatened with extinction, its producer told a reporter: "We've got to stay on the air. We're giving away college educations. This is important. It's like asking if you're for war or peace." How is one to unravel outright phoneyess from earnest foolishness in such an utterance? Or in the statement of the BBD&O man whose TV work was represented by *The \$64,000 Question*: "I . . . believe that broadcast media are among democracy's greatest strengths and must never be cheapened or prostituted."

The stagiest dialogue of the quiz scandals was spoken by the producers of *Twenty-One* and *Tic-Tac-Dough*, that pair of young men who got themselves into deeper and deeper trouble by lying to the grand jury and making confidential approaches to former contestants when subpoenas appeared. (A writer for *Holiday* reported in 1957: "The intimate contact with contestants makes the producers acutely conscious of human problems, and some of them follow the subsequent careers of prize winners with great interest.") Like the price-riggers, the quiz-fixers laid their actions to their concern for other folks. But

whereas the electrical executives were not at home with homiletics, these men were straight out of daytime television. The thirty-two-year-old producer of *Tic-Tac-Dough* explained that he had perjured himself to protect the identities of the contestants: "They were fine people, really, and they would have been destroyed in their hometowns. . . ." Very possibly the contestants were on his mind, but finding himself in difficulties, it came naturally to him to overdramatize their situation, to milk them for effect. He sowed compassion to reap forgiveness. Obligated to admit that an Army captain, winner of \$108,000, had been provided with answers, he added quickly that the captain "carries in his body over a dozen pieces of shrapnel that he acquired in Korea when he won the Distinguished Service Cross." Honest or not, such is the language of the mass media, and it defies trust.

The producer of *Twenty-One* spoke in the same tongue. Pained at a contestant's recollection that he had once cried, he declared: "I was in the Marine Corps for five years and if anybody in the Marine Corps were to learn that I cried . . . I would be bounced out of the Marine Corps." The charge of crying weighed more heavily on him than the charge of lying. After setting forth his service record for the Congressmen, he went on: "I have never cried after any performance or before any performance or during any performance. I want that for the record. . . . I never cry. . . . I haven't cried since I was a child." Having clarified this point, he explained that he had denied "certain conditions of quiz show production" to a grand jury out of concern for the show, the contestants (to "protect the private lives of the many wonderful people. . . .") and his friends at Barry and Enright. "I really don't come here for your sympathy," he told the Congressman, in a stance of Shoot-me-but-spare-the-women. "I come here to help you in any way I can regarding myself, only asking you not to injure the reputations of the many, many people who have been on *Twenty-*

One." In a letter to the *New York Times*, he compared his relationship to contestants with that of doctor to patient or lawyer to client. When asked why he had gone to Mexico City, where he was being supported by Daniel Enright, he delivered a text made up of clippings from old TV scripts: "I am glad you asked me that question. . . . In order to support my family, in order to have a little self-respect, a man has to work. . . . I hope that we will be able to make a life for ourselves there." And, once more, "It certainly has changed my life." The break of a career, even an undistinguished one, calls up sympathy, and there was, perhaps, not an untrue word in anything this man said, but his defense bespoke a mind that had been taken in by its own hoked-up world.

When Frank Stanton compares American television to Carnegie Hall because neither has good music on every hour of the day, one can hear the whirr of the public relations machinery and turn the page. But when the men who actually produce the stuff of the mass media begin to speak in its tones, that is more frightening than hypocrisy — it belongs to science-fiction. They have become thoroughgoing professionals, and now, one with their audience, they can say unblushing and unstammering what should only be said in parody. Now they can find astonishing virtues in their product, whether it is a short story in *McCall's* or an article in the *Reader's Digest* or any TV package. When a fairly intelligent person learns to take pathos for emotion and slogans for philosophy, when the only thing he can see about the quiz shows is that they made a lot of grand people happy, then he can justly claim to be the victim of a gigantic fraud, for which there will be no retribution in his lifetime. America's TV studios, editorial offices, publicity firms and advertising agencies are filled with persons who have been taken in. They build their careers on being less than they might be, settling for grosser sensibilities, shallower thought and more transient values than were their due.

Although work in the mass media is not a noble calling, it need not be ignoble if one keeps one's perspective — and many producers and directors, editors and illustrators manage to do their jobs in a decent way, paying a price, yet not losing themselves in the process. Others are unknowing or weak-minded enough so that it does not much matter. But those who allow their intelligence and taste to be drowned in their professionalism make one of the sorrier sights in the whole sorry muddle of mass culture.

The Amateurs

"It may reasonably be deduced," concluded a writer in the *New York Times Magazine* in 1957, "that a producer planning to fix a show would not risk taking contestants into his confidence." Reason was with his deduction, but reality was against it; sheer need, not logical exercise, compelled the producers to invite contestants into partnership. In the end, the outsiders would be a source of betrayal, but for many months they were bearers of great good luck and success.

Everybody wanted to get on the quiz shows. From all over the country, the applications, millions of them, poured into New York. In a single week *Dotto* received a million cards from would-be participants. These were screened, and from them were culled the most likely applicants. Although celebrities and "characters" were used from time to time, the basic quiz-show type was an alert, agreeable-looking young man or woman with a fairly interesting biography, who bore his or her intelligence lightly. Intelligence they needed, even if it was only to take direction and convey credibility; they could not be out-and-out clods. The producer of *Twenty-One*, which made much of its lengthy preliminary written test, claimed even after the exposure that every one of his contestants, without exception, "was superior intellectually and had what I considered a vast knowledge and background of many subjects." It was im-

portant, however, that they did not seem to be studious or cocky or in any way snobbish about their attainments, and so well did the producers do their selecting and directing that even the *New Yorker's* normally skeptical John Lardner felt that *Twenty-One's* cast had "the merit of natural, legitimate roundness."

Although Barry and Enright maintained determinedly that they were "paying off on knowledge," care was taken to keep up the old quiz-show fable, flattering to viewers, that smart people are not much different from anybody else. During the heyday of *The Quiz Kids*, a University of Chicago psychology professor was introduced at the close of each program to assure the audience that the show's stars were typical American school-children, examples of the advantage of growing up in a democracy. Almost two decades later, the producer of *The \$64,000 Question* replied to the suspiciously inclined with a similar call to patriotism: "Well, the typical American has many facts, and those who doubt it show little faith in the American way."

As evidence of their non-exceptionalness, the contestants would grunt and perspire while the cameras rolled, and tell reporters how hard they studied in between times. Teddy Nadler, an authentic *idiot savant*, dismayed his show's producers by delivering answers so quickly and confidently with so many extra details that he risked not being believed, or if believed then not liked. Far better were the less astounding, more amiable young people who played their parts to the medium's specifications — the Army captain who attributed his good showing to his military record: "I don't lose my head. . . . As an Army officer, my stock in trade has been my ability to keep myself under control," and the pretty thirty-two-year-old Ph.D. candidate who told reporters, with very private irony, after she was defeated on schedule, "I had a premonition that this might be the night." These would prove staunch quiz-show allies in adversity as in triumph. When exposure neared, the *Twenty-*

One winner with the abiding interest in medical education took his place in the producers' front lines: "The whole purpose of the rehearsals," he said, "was to see that the microphones and the audio and visual equipment were in working order and to acclimatize contestants in the program."

If the producers had been able to maintain a repertory company of these acclimatized performers, their problems would have been over. But this could not be, and the law of averages is hard on those who put their trust in strangers, even screened ones. Daniel Enright's security check consisted of asking his producers whether a given contestant was capable of keeping a secret. And the producer of *Dotto*, asked what safeguards were taken on his show, said, "We just had faith in human beings." By and large their faith, bolstered by money prizes, was justified in practice, but a single faithless soul would be enough to ruin their properties and their careers and each season they had to deal with dozens of outsiders, unknown quantities, whose support was always precarious. Like seducers who give the little girl a lollypop after the deed (which she seems to enjoy pretty well, deed and lolly), they could never be sure of the continued discretion or stability of their collaborator-victims.

Inevitably, they suffered unsettling experiences. There was the young lady on *Dotto*, the latest Miss Radcliffe, who wrote down the answers she was supposed to give on the day's show and conspicuously left them behind her on a table while she performed, "no doubt observing the college rule against taking study notes into the examination room," commented a *New Republic* writer. The producer was very upset by her lapse, "not for moral reasons, obviously, but the clumsiness of the thing." There was the friendly man on *The \$64,000 Challenge* who mentioned to his opponent that he was being briefed. "Isn't it funny that you got warmup questions and not my husband?" the opponent's wife asked. There was the showgirl who sued *The Big Surprise* because she had been asked a question

on the program which she had missed during the warm-up session, and the American Legionnaire who complained to the Federal Communications Commission because he was given to understand before his appearance on *The Big Payoff* that Longfellow's *Lady with a Light* was a tribute to the Statue of Liberty. He subsequently read the poem line by line and still couldn't find a single mention of Florence Nightingale. There was the artist who could not bring himself to say that Ralph Waldo Emerson wrote, "'Hope' is the thing with feathers/ That perches in the soul" because "maybe way down deep inside there was a hope that things would work out fair and square — also, I knew the answer, I had been told the answer." This contestant, who won \$4000, had the ill-boding habit of writing down the questions and answers he was given in advance and mailing them to himself for no particular reason in a registered envelope before showtime.

There was the veteran quiz-show contestant, a part-time bus-boy and unemployed comedian, who found Miss Radcliffe's notes, accepted \$1500 from *Dotto's* producers for his discovery, told the story to a newspaperman anyway, and thus succeeded in getting a job at a Washington night club, where he was billed as "the comic who blew the whistle on the 'TV quiz shows.'" There was the Tennessee minister, author of *Hucksters and Suckers* and *This Is Love?* and unsuccessful football game promoter, who aspired to be the Protestant Father Flanagan. He won \$20,000 on *The \$64,000 Question* and *The \$64,000 Challenge* with the customary assistance; nevertheless felt "I was gyped, I could have gone much further"; tried to place the story with a magazine but failed; tried to get CBS to publicize *Hucksters and Suckers*, which he had paid to have published with part of his winnings, but failed; and avoided responding to a summons by the New York District Attorney when the scandal broke, choosing to make a later, more public appearance before the House committee.

There were even two men who seem to have been honestly uncomfortable about their parts in the hoax *before* it was exposed. One, a writer selected — as Daniel Enright's bad luck would have it — to be the first trained contestant on *Twenty-One*, voluntarily ended his debut at \$24,500, oppressed by the whole experience. He withdrew feeling that he had no moral claim to his winnings, but allowed himself to be persuaded to accept \$15,000 anyway. Later he thought better of it and sued the producers for the balance. The other man, older than most of the participants, became angry enough, on learning that his opponent on *The \$64,000 Challenge* had been presented with answers, to complain to the producer and hand over his \$250 consolation prize to charity. Being an advertising salesman and out of work at the time, he had no wish to cause CBS any difficulty, however, and related his experience only to some friends.

And, unforgettably, there was Herbert Stempel, the poor boy from Brooklyn who could not abide the thought of saying "I don't know" in front of a TV camera, particularly when his prearranged ignorance would work to the advantage of a well-to-do boy from Manhattan, Charles Van Doren.

But these were the exceptions. Most of the quiz winners skipped along in time to the music and slept untroubled sleeps. In one of Graham Greene's entertainments there is a scene where the hero is participating in a séance, his hands held by the other participants around a table in a darkened room. He has a premonition that someone is about to murder him, but holds back his cry of fear because it would create a fuss. The great majority of the contestants showed as good breeding, and a similar reluctance to draw attention to themselves, to offend their producer-host in the latter's own domicile or, in general, to disrupt the workings of the place.

Simple considerations of good form, of an unwillingness to get *involved*, which work against making a scene no matter

what the cause, have in our time been supplemented by uneasiness at being classified for one's pains not merely as boorish, but as downright peculiar. Popular psychology conveys a feeling that the person who attracts attention — whether it is General Edwin Walker or Bertrand Russell — is emotionally suspect; active extremism, whether in favor of lynching or in favor of school integration, may be a symptom of a disordered ego; the well-balanced person plays it cool. Thus, the mass media professionals, who have helped promote these enlightened doctrines, tended to write off the occasional nuisance contestant as psychologically aberrated. When, for example, Colgate, CBS and the Ted Bates agency questioned Miss Radcliffe and the whistle-blowing comedian, the interrogators felt that they were sitting in on "a battle of neurotics." The comedian said he had found the incriminating notes while Miss Radcliffe was on camera; the girl maintained she had written them down afterward. ". . . We were in some doubt as to which one of these neurotics to believe," said the Ted Bates representative.

The easy psychological diagnosis has become a useful weapon of conformity, particularly where values are uncertain, since it is easier to label a dissenter as odd than to inspect the society from which he is dissenting, to inspect one's own part in that society. The unfairness to the rebel is apparent — still, however warm a regard we may feel for the nonconformists among us, the behavior of the turncoat contestants, labeled quizlings by wits of the press, did have its odd side. Not one of them acted in an altogether straightforward way, most saving up their remorse until after the shows had been exposed — like the executive director of a national women's organization who went on *Twenty-One* "as a publicity activity," won \$130 by doing as she was told, and suffered top-secret chagrin for two years, until she was called to testify. Not a single contestant voluntarily informed the FCC or the newspapers of his experi-

ence without going through a strange set of accompanying motions.

What, for instance, is one to make of Herbert Stempel, who was responsible for bringing down *Twenty-One*? To Daniel Enright, he must have seemed at first the perfect contestant — smart, adaptable, respectful of money and an inveterate pretender. He was something of a taxicab pundit, full of the cynicism that knows there are tricks to all trades and the trophy belongs to him who masters them. Although new to television, he assumed at once when Mr. Enright explained matters that “this was the way things were run on those programs.” From the beginning he was not a stickler for accuracy. He had no very high opinion of audience-participation shows and had seen only a single performance of *Twenty-One*, which had barely gone on the air, before he wrote his earnest letter of application to the producers, telling them that he watched and enjoyed their fine show every week. He was worldly-wise about his sponsor’s commercials (“I couldn’t see spending \$2.98 for twenty-five cents worth of cheap medicine”) and when he became a winner his unfailing shrewdness prompted him to invest \$18,500 with an ex-convict who was supposed to be establishing a betting syndicate in Florida, and to give \$2500 more to a writer who promised to do a profile of him for a national magazine. In the tradition of the callow operator on the lookout for a good thing, he was taken by men on the lookout for such as he. He had better luck later, when Mr. Enright let him know that Charles Van Doren was going to be defeated on the following Monday evening; the wheels turned and he rushed out to bet \$5000 against the reigning champion at two-to-one odds.

For the six weeks that he was performing on *Twenty-One* and winning money, Herbert Stempel’s smart-operator inclinations worked to the advantage of the producers. But when it

came time for him to lose, he would not go gentle into his good night. He liked being a winner too much. While on the show he bragged about his inside information to his doctor and his druggist and his barber. For six weeks he was the most important person in his neighborhood, and suddenly the light was dying. More, he was being forced to feign ignorance, before his nationful of admirers, of questions whose answers he insisted he knew — such as the title of William Allen White's *Emporia Gazette* editorial, "What's the Matter with Kansas?" And more yet, indignity upon indignity, he had to lose to a young man of good family who was treated to far greater, more respectful attention by public and press than ever he had been. "I took my wife to the theater one night and I overheard somebody saying, 'That's the guy who was beat by Charles Van Doren.' It hurt me egotistically."

It was humiliation for Herbert Stempel to accept his return to gray existence, and for weeks after his last performance on *Twenty-One* early in December, 1956, he hung complainingly around the Barry and Enright offices, being soothed with promises of jobs and appearances on other shows. But as the winter passed and nothing came of any of it, he began to let out his grievances to New York City newspaper reporters. His story eventually would be that he became conscience-stricken after his fourth week on the show: "But what could I do?" he pleaded like Romeo's apothecary. "I was a poor kid trying to gain financial independence."

By now, in March, 1957, Daniel Enright realized that he was at the mercy of a pained and thrashing ego, as well as of a young fellow who wanted a \$250-a-week job in television. His counter-attack was to get Herbert to sign a paper to the effect that "Dan Enright has at no time disclosed questions, answers, points, anything like it. . . ." Their conversation at this meeting, which Mr. Enright thoughtfully had tape-recorded and later produced in an effort to discredit his former protégé,

might have been written by Jules Feiffer. The quiz-show packager alternated between the roles of Dutch uncle and Austrian psychoanalyst. When Herbert Stempel mentioned that he owed \$1827 on his car, Mr. Enright asked: "Why don't you give up the car? What does it represent to you?" He urged the young man to visit an analyst five days a week. Then Herbert said, thinking of his quiz-show nemesis, "I felt here was a guy that had a fancy name, Ivy League education, parents all his life, and I had just the opposite, the hard way up. . . ." And Daniel Enright sighed, "The world is a cruel world, and fate plays a greater part in all such things than we'd like it to. . . . I don't know whether I can cope with life or not."

The records of the contestants who caused producers the most trouble do not stand out quite like hopeful fever charts in a ward of the morally ill. Would Herbert Stempel have been a safer risk for a loan than Charles Van Doren? Were the motives of the comedian or the minister more noble than those of the contestants who took their winnings and went quietly home? Despite what one might wish to believe, the producers were not entirely unfair in viewing the dissidents with suspicion. They may not have been neurotics, but they were not paragons of conscience either. Several of them attempted frankly to turn the system to their own ends; to others remorse spoke late and with a pitifully weak voice.

What is surprising is that there were not more of these rebels, that so very few contestants turned out to be troublemakers. One would have imagined that in their quest for the nation's overeducated, underremunerated young men and women, the producers would have gotten entangled with far more oddball types than was in fact the case. In the experience of the producer of *Twenty-One*, from Charles Van Doren through to the exposure of the fix, not a single contestant, knowing the necessary conditions, refused to go on with the show.

Why so few people balked at the rules of the game is corollary to a more resonant question — why did so many go along? A simple answer was that they were all greedy. It was a comforting answer in its way, but simple, and it was delivered under inauspicious auspices. In 1958, a lady whose job it was to find contestants for *Dotto* and *Haggis Baggis*, a “pcople-getter” by trade, complained to *Time* magazine that “. . . people tend to change like Jekyll into Hyde the minute they win twenty-five bucks. They go kind of nuts with that carrot in front of ’em. They win something and boom! All the things you picked ’em for go out the window. All they’re thinking about is the damned money.” A year later, during the Congressional hearings, the same gracious analysis was repeated, and again it came from one who had benefited from the contestants’ failings, whatever they were. Professor Bergen Evans, who had found fame and profit in the quizzes while they did well, managed to turn their affliction to some account by selling to *Life* a tract which characterized the contestants as “publicity-seeking at best, avaricious and even crazy at worst.” Whereas he knew the producers to be all honorable men, it was Professor Evans’s opinion that “sheer avarice motivated most applicants for the show.”

These comments are more interesting as cases of biting hands that feed one than as an answer to our question. In a country where everybody flies, those who only walk must be labeled cripples. But here was a situation where no one gave any signs of being able to fly, though some did walk a bit more uprightly than others. New York County District Attorney Frank Hogan reported that of one hundred and fifty *Tic-Tac Dough* and *Twenty-One* contestants called before the grand jury, no fewer than one hundred lied about getting answers.

The Congressmen tried hard to wring remorse out of the contestants who appeared before them and were grateful for

every drop they got ("Did you feel a lot cleaner after you went to the grand jury and told the truth?" asked Representative Walter Rogers of Texas. "You felt like you had a bath, did you not?"), but it was evident that the witnesses could have lived indefinitely with tranquil spirits if only exposure had not broken upon them. "Honestly, I am perfectly blithe about it," said one woman, to Representative Rogers's exasperation. When a producer made the innocuous comment that as far as he knew, the contestants were good citizens who went to work and never hurt anybody, two of the Congressmen objected, preferring to believe that they were all villains, psychopaths and foreigners.

Although the quiz contestants, mainly young and urban, did not constitute a cross-section of America, they were hardly typical of our criminal population. They were superior specimens in almost every way; that is why they were chosen to be on television. Their I.Q.'s were higher; their education further advanced; their charm more potent; their features more regular. They were no doubt taller than the national average and healthier. The producer of *Twenty-One* said that he found his best material in writers, lawyers, college professors, journalists and psychologists between the ages of twenty and forty. It was a veritable leader cadre.

Credit for their remarkable TV performances can go only in part to the skill of their trainers. The contestants were like those rare children who take their place at the piano and at the first hint of instruction begin to play brilliantly. The price-fixers in industry, the ward politicians, the quiz producers themselves — these were full-time professionals, experienced men committed to and shaped by their jobs. But the contestants were amateurs, dilettantes at this game, yet they took to it as though they had been born and raised backstage. They were under no pressure comparable to that which moved the producers, yet they needed little if any coercing. One after an-

other they stepped into their parts, played them to perfection and exited gracefully, on cue, as dependable as *Name That Tune's* Dancing Decimal machine.

Amateurs they were — but their nearly unanimous success raises the question of how amateurish were they really. Americans now in their thirties have grown up with the mass media inside their homes; most of the contestants were young children when a radio set was first placed in the family parlor. Manufactured entertainment has become so constant a part of our lives that its formulas and style cling to us as persistently as any of the other conventions that we live with as children and cannot shake off as adults. We begin to take in popular culture not quite with our mothers' milk but well before the start of school and continue to take it in until we grow deaf and blind. Having drawn heavily on movies and radio for modes of behavior in the games of youth, the contestants showed that they still knew how to play, to pretend, to prepare a face to meet the faces they would meet. Today's children, under the instruction of television for three hours a day from the time they can see, promise to be no less versatile.

But there was more to the contestants' success than this; their talent sprang from deeper sources and had broader application. The charge of conformity has been pressed hard against their generation, and one would prefer to advance a more novel indictment, but what did their consensus amount to if not profitable conformity? Could they have accommodated themselves so effortlessly, off camera as well as on, to the images created by network public relations teams if fitting in had not come naturally to them?

Among the advance guard of our open society, we encourage children with all our might to sample fresh experience, vicarious more often than direct, and they do so without stint and often without guidance; we want them to be well-traveled and well-rounded; we have stopped insisting that they excel in every

thing, pleased enough when they participate in everything. They see our disapproval when they have difficulty getting along with some group or other — we fear for them, knowing from our own experience how large a part getting along plays in getting on. Often it is only a child's own spirit that saves him from our dream of infinite susceptibility, as though he were a synthetic material created to serve every use. It can fairly be argued that the children generally turn out happier for our efforts, less frightened of people and things away from home than we ourselves are, better able to deal with an unpredictable world, and more confident of success. But second-hand worldliness, received too early and too easily, is treacherous. We must expect, when quick-and-easy adaptation becomes a virtue in itself, to be pained sometimes at what the virtuous find to adapt to.

The bright and congenial generations we are producing make good Peace Corpsmen, and are well liked wherever they go. But many a Corpsman will wind up working for a very different kind of organization. Students are taught to ask what sort of work will be most satisfying to their temperaments; whether the job is worth doing barely enters into their vocational guidance. It is no strain on the imagination to see most of the quiz contestants, the non-neurotic, uncomplaining ones, entering this large operation or that — excepting always the flagrantly unrespectable, such as betting syndicates in Florida — and rising as high as luck, brains and role-playing can carry them, skilled climbers measuring their steps to the mountain's twists and turns.

The quiz-show winners were not more greedy than the rest of us. They wanted money, but none would have robbed to get it, and only a handful would have swindled. By ordinary measures of good citizenship, they must be granted high marks, being just the kind of emphatically clean-cut young people America desires to have represent it before the world. They might

have withstood the temptation of money had it only not been made so devilishly easy, so *natural* to go along. But that has always been the devil's way.

As a group, the winners lacked that inflexible set of private standards — not always healthy or even right and rarely pleasing — that makes one recoil from an action not because it is criminal or antisocial but because it is simply repellent in itself. They did not dare disturb the universe. Flexibility, the *sine qua non* of mental health and progressive education, was their strong point, and the best conclusion they seemed able to take from their experience was the strange, cool one expressed by a \$98,500 winner: "The shows have now been shown to be a hoax. If I had it to do over again, I wouldn't be a participant."

The Winner

Largely by his own will and through his own design, Charles Van Doren came to personify the TV quiz contestants and to symbolize the scandal itself. He was so large in the affair that many observers could not resist seeing it as he did himself, a morality tale in which he played Man. There, in the pleasant young fellow of high pedigree, the good boy who made bad, one might find a generation confused, a nation demoralized, old values and a new invention gone alike to pot.

That Charles should have come from Mark was saddening, but not astounding when we remember that Marcus Aurelius, that best of emperors, sired Commodus, the worst. The extraordinary thing about his father, Charles once said, "is that his public face and his private face have been the same. . . . It is the very definition of integrity, I suppose" — reminding us again, after his own quiz triumph, that the gifts of the fathers are not usually visited upon the children. It is a truth that applies to intellect as much as to morals. While an English instructor at Columbia, where his family connection was no hin-

drance, the younger Van Doren appears to have performed respectably but not brilliantly; he showed some promise but small accomplishment. Later he would say of himself that he had been acting a role — "thinking that I've done far more than I've done, accomplished more than I've accomplished, produced more than I've produced." But having succeeded on *Twenty-One*, he was suddenly famous, talked about admiringly in homes where the Van Doren name had never been uttered. Magazines invited him to do articles; he was offered parts in movies. From a college salary of under \$5000 a year, he went to an NBC contract of \$50,000. And in addition to his money winnings, the quiz shows even brought him a wife. All we need add to fill out the morality tale is that fortune's smile was induced entirely through fraud.

In contrast to the electrical industry price-fixers; those pillars of anti-introspection, Charles Van Doren was ego-conscious to a fault. Camping among the forward echelons of American society, he showed the preoccupation with his own motives that since Freud has been a badge of our educated classes. Psychological Man, even when not officially in analysis, finds himself to be a most curious phenomenon, capable of endless, endlessly fascinating examination. In the thirty-five years that have passed since Walter Lippmann observed that "there is a certain breathless interest in having one of his selves watch and comment upon the mischief and the frustrations of his other selves," the interest has grown more and more breathless while the mischief and frustrations have stayed fairly constant. For a sizeable minority of the nation, an important, well-read minority, character has become a private problem, like an ulcer, disassociated from any ideal but that of personal relief and contentment.

When Faust fell, he did so in an older style, to thoughts of Man and God. Charles Van Doren's thoughts were full of Charles Van Doren. His descent was so rapid and total that.

given his literary calling, he might have been pardoned for joining Milton's vanquished archangel in stunned lament at having to accept Hell in exchange for Heaven, "this mournful gloom for that celestial light." Lament Charles did, and abundantly. Tears came easily to him, and his twisted features at his perjury trial were fully as expressive as they had been during those exciting weeks in the isolation booth. But unlike the Devil or Job, modern man does not seek the explanation for his plight in heaven. Unlike reformers of other eras, he does not seek it on earth. Instead, he searches his psyche for the answer, as though he were a case history, with the solution in back of the book.

In an interview with a *Newsweek* reporter on the eve of his confession, Charles Van Doren said: "I didn't know enough about anything — about television, about the world, about my wife, about myself. Most of all about myself. I didn't know anything really. Anything." That his search was in earnest goes without argument, but despite his advertised intelligence and sensitivity, it was flatly inept, as though he enjoyed the looking too much to want to find. For many who pursue it most devotedly, self-analysis, with its unfailing supply of enchanting interpretations, can become a puzzle with too many solutions, a quest that takes them round and round a tight, safe circle, chins close to bodies and their eyes at their own toes. Then the wish for self-knowledge, like a fine fruit made soft with overhandling, turns into splotchy self-indulgence.

No more introspective man than T. E. Lawrence ever lived, and it troubled him deeply to encourage the Arabs to revolt against the Turks less in their own interests than to forward British policy. He searched himself and granted that "of course I must have had some tendency, some aptitude for deceit, or I would not have deceived men so well." This did not solve his problems; it did not allay his guilt or give him peace. With his weakness for speculation, he might have set off on those long

and pleasurable meanderings amid shadowy motivations rather than on his harsh desert journeys, but there was a greater war outside himself with which he had to come to grips. Later he would pay for his decision, but somewhere he found the will and the strength to act with full awareness of the compromises he was making. This Charles Van Doren was not able to do. His aptitude for deceit he would demonstrate amply but never confront outright, hiding always in bogs of motives, motives, like those public relations men who descant their high intentions to any casual listener and sell their loyalties as the market requires. Charles viewed the quiz shows as he seemed to view the rest of the world — something which had been created to try and temper his particular spirit. His mists of self-justification would not permit him to say as men more virtuous and more villainous than he have said in the centuries before and since Ovid wrote the lines: "I see the better course and approve it; I follow the worse."

Along with the other contestants, Charles extended his performance beyond the stage door, and just as he had been the star of the show, so he was the star of all the fêtes afterward, restriking the attitudes that had won cheers on television. Months after his TV role had ended, he was still reminding the country of it, writing in *Life*, ". . . I tried, once a week, to dredge up the answers out of the safe deposit vaults of my memory." * Such opportunities were thrust upon him, first by publications bidding for his famous by-line or an interview, and later by reporters following up Herbert Stempel's accusations. It was only natural that they should come, for verification or denial, to the most renowned of all *Twenty-One's* players, and they did not go away with empty notebooks.

Pressed for comment, constitutionally unable to be terse, to

* In its combination of sincerity and self exploitation, this mistitled article — "Junk Wins TV Quiz Shows," *Life*, Sept. 23, 1957 — first opened to view the mind that would be exposed fully two years later.

say the charges were not true and let it go at that, Charles decorated his denials with pretty details like a husband explaining the lipstick on his handkerchief. He told reporters that the accusation caused him "surprise and disbelief." He said: "It's enough to shake your faith in human nature." He said: "If Stempel was acting, I was completely fooled. I thought he was sweating as hard as I was." When matters grew more desperate, whatever prestige and affection he had accumulated he threw into the balance, an officer giving up his elite troops in a hopeless, unworthy cause. He declared in a formal statement on NBC's *Today* show: "I came to know Jack Barry and Dan Enright, who are the producers of the show. I am happy to say that I believe in their integrity and the integrity of their quiz program. . . . I myself was never given any answers or told any questions beforehand, and as far as I know none of the contestants received any coaching of this sort."

The record remained perfect to the end. Charles Van Doren was a superb quiz contestant; a staunch, believable defense witness; and when it came time for him to deliver his confession, a nonpareil repentor. He had given the producers what they wanted, the reporters what they wanted, and now he told the Congressmen and the nation what nearly everybody, trained by the Hollywood Code, thirsted to hear. "I've learned a lot in those three years," he told them, "especially in the last three weeks. I've learned a lot about myself, and about the responsibilities any man has to his fellow men. I've learned a lot about good and evil." He spoke of the millions of friends whom he had deceived; of his "intense moral struggle" over whether to be led astray by the promise of \$1000; of his relief ("Thank God") when he was able to leave the program with his \$129,000; of his growing panic at Herbert Stempel's revelations and his feeling that he was carrying "the whole burden and honor of my profession"; of his final realization "that the truth is always the best way"; of a letter from an unknown woman ad-

mirer, which convinced him to make his public confession — “Whatever the personal consequences, and I knew they would be severe, this was the only way”; and of his attorney’s happiness that he had “found courage at last.” The Congressmen were moved to near-unanimous bipartisan praise. Committee chairman Oren Harris, echoing the attorney, said, “God bless you,” and Representative Rogers, who had been so disappointed in other contestants, lit up like a despairing missionary presented in the nick of time with a docile heathen: “I know it makes you feel cleaner inside.” The spectators applauded, and Dave Garroway broke down and sobbed while taping his show. It was a grand success.

Wherefore could we not all pronounce “Amen” when Congressman Harris cried “God bless you”? The confession itself blocked the word — it could not be swallowed. Coming from a professional teacher of literature, its style was Wednesday-night Literary, upstairs at the public library. In the same style was the romantic tale he spun out — fair lad toiling upwards on the slopes of deceit, slipping, falling, bruising himself, yet reaching the top finally, clean inside and wondrously refreshed. It was the product of an overwrought, undermatured imagination. But most unswallowable of all, this confession represented a purposeful evasion of truth and a playing up to the cheapest sentiments of the mob for which even his recent career could not have prepared his listeners. The plain facts of the case were that he lied as long as there was a chance that he might get away with it, and confessed only under subpoena, and after his complicity was already known to the District Attorney, who had had *Twenty-One*’s producer indicted for perjury. During his appearances on *Twenty-One*, Charles had been billed as an experienced poker player, but his bluff was carried on much too late in the game, and when it was called no amount of make-believe could redeem the hand.

It would be kind to Charles Van Doren to believe that he

drew up his confession with tongue in cheek, say as a parody of Richard Nixon's Checkers speech which it resembled, for the entertainment of a graduate-student social — but, like Mr. Nixon, he seems not to have been blessed with any speck of self-irony. One of the qualities that made him such a successful performer was the tone of deep earnestness that he could produce on call, no matter how senseless his words. Just after leaving *Twenty-One*, for example, he told a sympathetic writer: "My friends can't understand this. I couldn't make them understand the sense of duty to myself that forced me to go on and on with *Twenty-One* until I was licked." On the basis of his own television experience, he was able to write in *Life*: "Television ought to be better than it is, I suppose — everybody always says so — but I know how hard many people, especially young people, are working to make it so, and I have no real fear that the industry will fall prey to the 'hucksters.' Even if it should, I have enough faith in the good sense of people to feel that they can take care of themselves." He had that instinct for humorless soft-soaping that sets apart the born mass-media spirit from the merely cynical pretender. He wrote that after he lost on *Twenty-One*, he walked "down Sixth Avenue with the brilliant producer of the program, my heart in my throat and a tear in each eye at this ending of an era." Merely to recount such reflections becomes embarrassing, but he was not embarrassed. One cannot imagine him chuckling or blushing even as he described his experience in the isolation booth some months after his TV triumph: "All is certainty there. One need not worry or be distressed. Only those questions are asked which have answers, and then only if the answers are available."

It is the mark of the romantic never to laugh at his own excesses, and perhaps it was the unlaughing romantic in Charles Van Doren that permitted him to resort to tactics that the producers would have shunned as too transparent or even unscrupulous. When NBC compelled him to send a wire to the

Congressional committee volunteering to testify, he told a network executive: "I was offered questions, but I never took them. The producer tried to get a loan from me." Before he delivered his confession, he sent copies of it to a number of TV columnists, along with a personal note ("I wanted you to have a copy of this from my own hand") which they rightly took to be a piece of special pleading. And still cultivating a good press at the hearing, he went through, for reporters, a routine that he had probably picked up from Jack Barry during all those sessions of *Twenty-One*: "I've been getting just wonderful letters from wonderful people. I put the good letters in one pocket and the bad in another. When I looked, I had thirty-nine good letters in one pocket and there was only one bad one in the other pocket. I've been getting so much love from so many people that I just wish I could return it all. People are wonderful."

If there had still been any doubt of Charles Van Doren's suitability for television, these final scenes must surely have laid it to rest. Early in 1957, before taking his NBC job, he told an interviewer that he hadn't decided against entering the TV business on principle, that he believed in television as potentially the greatest medium of communication, but had "rejected a number of specific things simply because they didn't fit a particular image of myself which is very secure in me." It would have been interesting to learn which specific things could not be fitted to an image that had lived with both Columbia University and *Twenty-One*, but when the time came NBC and Charles Van Doren, now represented by the country's largest talent agency, reached a happy accord. He was given a three-year contract, at \$50,000 a year, as a "consultant." "We feel Van Doren has a fine future in special feature reporting," said the NBC executive in charge of news. To brush up on national affairs, the thirty-one-year-old Renaissance Man took a trip to Washington, and returned to report that he

couldn't make much out of the House of Representatives, but that President Eisenhower had a beautiful, expressive, noble face.

Like much of what he said, it left one wondering where the young man had been all his life or at any rate since he reached voting age. But no matter — he might have come back from the capital saying that the statue of Abraham Lincoln had a noble face, and it would not have made any difference. NBC was paying for his celebrity, not his journalistic perceptions, and they could be confident of getting their money's worth. The idea of using him on the *Today* show in October of 1958 was a sensible one; the audience, made up mainly of housewives, would warm to his agreeable, familiar presence even if it meant listening, for five minutes, to a talk on binary arithmetic or to a seventeenth-century poem. They might even have enjoyed hearing about the President's face.

So Charles Van Doren's image was satisfied to be paid \$1000 a week for doing nothing much, and as long as it was a famous image NBC was glad to pay it. Popular entertainment flourishes on such arrangements. Now Charles no longer feared the medium as he said he once had, when, out of ignorance, he "thought it could hurt people, that it could corrupt them perhaps." The man who would be able to persuade himself that he confessed because of an inspirational letter had no trouble believing that he was in television to forward the cause of education — and perhaps he actually did. Perhaps even the quiz shows did, though he once expressed doubt on that score. Charles Frankel has made the acute and bitter point about America that "respect for the intellectual life is so precarious and so perversely focused on the wrong things, that it is quite possible that a quiz show really will advance the cause of the mind." In the company of clowns, the teacher of English literature had to be accounted an intellectual, and for as long as his celebrity lasted he would certainly have brought

no discredit to the potentially great medium of television. If his luck had held out, he might have become as important an educational force as Professor Bergen Evans.

In the spring of 1959, Charles received his Ph.D. and almost immediately was invested with an assistant professorship by Columbia University. How much he owed to scholarship for this promotion and how much to quiz-show fame we cannot know, but there is every reason to believe that the gifts which had brought him success on television served him in Academe too.

The nation's attitude toward the college professor is an uneasy mixture of respect and scorn; he is praised, mocked and not rarely disliked. He stands apart from the society's values, always a potential critic, and sometimes an out-and-out spoilsport. "Invite a scholar to a party," wrote Erasmus, "and he will spoil it by his peevish silence or by his heavy inquisitorial manner. Ask him to a ball and you will see how a camel dances. Take him to a show and just his appearance will kill the joy of the people. . . ." The mass media have emphasized the scholar's peculiarities; his forgetfulness and nearsightedness are tired jokes. Still, he is usually presented in a kindly enough way, and the suspicion is widespread, and not groundless, that the reason he chose the university is that he would soon have been run down in the real world's heavy traffic. (Possibly Assistant Professor Van Doren himself, professing large quantities of knowledge amid vast stretches of ignorance, was such a casualty.) Populated as it is by odd types, the university remains in our minds a sanctuary where common values do not enter unwashed, and when we hear of college basketball players throwing games or students cheating on exams or robbing their co-op stores, it comes as a much greater shock than crookedness in politics or instances of shrewd dealing in business. Something extra-specially corrupt is afoot, and we are disturbed.

But in fact most of our universities have lost their claim to

critical apartness. The "community of scholars," Paul Goodman writes, has been "replaced by a community of administrators and scholars with administrative mentalities, company men and time-servers among the teachers, grade-seekers and time-servers among the students." Beset by political pressures, public expectations, private ambitions and a continual need for money, colleges find that they cannot afford the luxury of looking on; they must make their appeals, as dependents, to rich, powerful and, above all, *practical* men, who do not share their ideals or even understand their role. Football players and the parents of hydrogen bombs are likely to be more to the successful man's taste than English teachers — though he will make allowances for a celebrity. The university president now becomes a specialist in public relations and fund-raising, building up his school's physical plant by means of salesmanship that contradicts its classic reason for being, and professors find that there are sinecures awaiting men of usable reputation and mild temperament. In these circumstances, a popular figure like Charles Van Doren, who took satisfaction in believing that his TV appearances were making scholars less remote, becomes a substantial extracurricular asset to any university. His value to Columbia before his exposure could not be measured by scholarship or pedagogy, and given his special talents, the future was bright.

"I love my life," Charles exalted after the signing of the NBC contract. "It seems too good to be true. I woke up yesterday and thought: 'O Lord, it can't last.'" Everyone could agree that he was a lucky boy, but to some of his fellow workers in television it must have seemed that he was living out their own private dream: he was being paid handsomely to use a bit of television as he wished. This is the pathetic but enduring dream of those in the mass media who cannot laugh away the topsy-turvy relationship of quality and reward that governs them: more bad novels than good ones reach the best-

seller list; intelligence goes unsponsored while inanity makes millions; the serious article must be reduced to the expectations of its readers. Charles Van Doren was spared all of this. He was not asked to suit his five-minute talks to his audience; the network liked him just as he was. He had his uncensored five minutes and his \$1000 a week; he loved his life and no one was pressuring him to rig binary arithmetic, the better to sell his act. But that was because he had already, so thoroughly, sold himself.

Charles had slipped smoothly into that large company of men, well represented around the TV networks, who retain a sentimental affection for some youthful ideal while they run after the bitch-goddess. Echoing his own self-important tones, a newsmagazine reported while he was on *Twenty-One*, "Of all the contestants, Charles Van Doren is probably the most determined to remain unchanged." But they all remain unchanged — like the classic Freudian husband who keeps true to the ideal of marriage by frequenting brothels. Lust never intrudes into his spotless citadel.

Speaking of his son before the exposure of the quizzes, Mark Van Doren observed that people make their own intellectual and moral characters: "To say that responsibility begins at home should mean, I think, that it begins — and ends too — in the individual. Sooner or later he must help himself. There are no alibis." A severe judgment. It was his son's luck to have a freakish facility for deceiving himself and thereby deceiving others in a society that pays well for deception. In the test to which he was put the soft virtues that had endeared him to America became accessories to a sort of vice. But perhaps that is an alibi.

The Audience

For all the expressions of outrage delivered in his name by editorial writers, network executives and government officials

("The viewer has been hurt and saddened," said the chairman of the Federal Trade Commission), the TV fan, against whom the quiz frauds had purportedly been directed, took the affair calmly. Most people watched it unravel as they might have watched a better-than-average hour-long play, with considerable interest and speculation, but with no feeling that it was terribly important, and without noticeable sadness or hurt.

What, after all, had been taken from them? Only their time — and there was nothing with which they would more willingly part withal. The quiz shows had provided months of pleasure and excitement, as well as new items of information for the children. Many viewers would willingly have allowed the claim of *Twenty-One's* self-exiled producer that the quizzes were "a breath of fresh air" in a field saturated with murder and violence. The idea of all that lying going on for so long was vaguely unpleasant, but it was not offensive — the way dirty words would have been, for example. Chairman Doerfer of the FCC, as loyal a TV fan as ever held federal office, agreed with the investigating Congressmen that the quiz-rigging was "most reprehensible," but given the constitutional right to free speech, the FCC's circumscribed jurisdiction, and the fine record of the television industry, he didn't see that he could do much about it; he hastened to assure everyone, though, that his moral zeal would *really* be aroused if somebody tried to inflict obscenity on America. Mr. Doerfer, who conceded that he had trouble understanding why if the murders in *Hamlet* were "high dramatic art" those on television were not, proclaimed that he would risk going to jail to get *Lady Chatterley's Lover* off the air, should the occasion only arise.*

* In July, 1962, the FCC, without benefit of Mr. Doerfer's membership, refused for the first time in its career to renew a radio station license. The main grounds — obscenity; the station's most popular disc jockey had been telling "bucolic double-entendre" jokes. For years the station had devoted more than four-fifths of its broadcast day to musical records and spot commercials, but it would still be making money if only that disc jockey could have curbed his sense of humor.

But the quiz shows had never used dirty language or insulted the flag, and even after reading an editorial or listening to a sermon or hearing what President Eisenhower had to say on the subject,* people could not really convince themselves that they had been injured; they felt no pain and saw no blood. When in 1963 an FCC hearing examiner decided that the packagers of *Twenty-One* and *Tic-Tac-Dough* were qualified to continue to operate a small radio station they owned in Hollywood, Florida, despite their unfortunate record, she expressed the sense of the nation. Her main considerations were that the men "held no copyright" on quiz-show rigging, that they violated no law, and that their previous activities "do not constitute an absolute disqualification as to the basic character attributes requisite to a grant of the renewal application." Indeed not. It takes more than abstract dishonesty or bad aesthetics to draw blood from a TV watcher. Italian fraternal societies protest *The Untouchables* not because it is a crude and witless show, but because too many of the criminals bear Sicilian names. In all the refuse of the medium, rabbis save their belligerence for a performance of *The Merchant of Venice*, the NAACP calls only for more Ne-

* Asked at a press conference to discuss "the wider philosophical implications" of the TV scandal, the President seemed to draw inspiration from Robert Benchley's reading of *The Treasurer's Report*: "The reaction of Americans seems to be so universal. Every one of them feels that not only he, himself — he may have a little sardonic chuckle when he realizes how he was taken in, but when he thinks about all America being deceived in this way, I think he has a reaction, immediately, as expressed to me by my associates and friends and people I see. They are really — I don't think they are so much angry, as they are bewildered, and it is like an old story you know of Joe Jackson in 1919, when they said: 'Say it ain't so, Joe.' I think that is the way Americans feel about it. Now, I do believe that every kind of industry that touches along the — on the function of the distribution of news and entertainment on a mass basis — they have a responsibility, just as I believe every other group does, where the United States beliefs, convictions and welfare are concerned; just as I believe that every economic unit should remember that self-discipline is the thing that will keep free government working on and on through the centuries to come. We must think of it all the time. So I believe that they have got a terrific responsibility, but I think that it does not imply that America has forgotten her own moral standards."

gro leading men, and Roman Catholic bishops get most ireful over documentaries on the population explosion. The ladies who are loudest against violence on children's programs smile on simpering insipidness. Quiz-rigging, like stupidity, was an impersonal misdemeanor, on the order of littering a public highway.

The lack of public response to television fakery was commented on by Gilbert Seldes two years before the quiz exposures. "The general feeling," he wrote, "seems to be 'If it's a good show, who cares?'" and indeed the morals of a quiz show are not, in the days of atomic energy, the citizen's primary concern." (That producer in Mexico expressed his fear for the state of the nation when important national and international problems were relegated to inside pages by a quiz whodunit.) There are institutions, such as savings banks, where honesty is expected and any deviation will agitate the land — but television is not one of them. When a particularly big lie pops out of the set, it is more akin to the appearance of a large trout in a lake of middle-sized trout than of a whale in a school of minnows, worth an anecdote back home but not a letter to the Museum of Natural History.

Nor could most people stir up honest anger at the contestants. The country had grunted and sighed along with them for months and been altogether charmed by their company — Charles Van Doren was everybody's make-believe son-in-law. Had the young people suddenly been revealed to be homosexuals or Soviet couriers, the relationship might have turned sour. But no such perversity was involved. Most viewers, putting frankly to themselves the question, Would I have done the same thing given the chance? had to answer, Sure. If a real-life son-in-law had balked, he would have been judged stupid.

True repugnance at the TV rigging, what little there was of it, came not from those who had watched the shows and been fooled — the "gullible, materialistic, escape-seeking roman-

tics," as a minister angrily called them — but from those who had never watched at all, who would have considered it demeaning to turn on their sets for such an entertainment — if they owned sets to turn on. It came from persons who despised the shows. They despised most of television, but the quizzes they found uniquely detestable because of their sham exploitation of knowledge. These nay-sayers were not, like one official Presbyterian spokesman, distressed that "Now the intellectual heroes of American youth are suspect"; what annoyed them was that Herbert Stempel should have been anybody's hero in the first place. In their view, the Congressman who complained that his own daughters had innocently followed the quizzes and been bilked, had something to answer for to the girls. A large percentage of these critics were on college faculties,* and the quizzes had presumed on their estate, mangy curs coming to pee on one's cherished petunià bed. It was only human for them to throw stones when the beasts got caught in a hole and had to stay within range.

As for Charles Van Doren, while most of the country could be lenient toward him ("In America more than anywhere," wrote *France-Soir*, "contrition is a form of redemption. A sinner who confesses is a sinner pardoned") many of his fellow professors considered his to be the truly unforgivable offense. Faculty comment at Columbia University itself was muted, possibly out of regard for Mark, but on other campuses and in the more serious publications, Charles, viewed as a simulacrum of the scholar, received short shrift.

The most impassioned voice was that of Hans J. Morgenthau,† professor of political science at the University of Chi-

* Meyer Weinberg, a social science teacher at Wright Junior College in Chicago, published an earnest if somewhat zealous book on the quiz scandals — *TV in America, the Morality of Hard Cash*, Ballantine Books, 1962.

† "Reaction to the Van Doren Reaction," *New York Times Magazine*, Nov. 22, 1959, and "Epistle to the Columbians," *New Republic*, Dec. 22, 1959.

cago, who wrote: "Mendacity in a professor is a moral fault which denies the very core of the professor's calling." He saw the rally of Columbia students in support of their likable teacher as a symptom of the same trend toward conformity which had tempted the latter "to sacrifice his moral commitment to truth. . . ." Whereas the politician and the businessman operate in areas where compromise is necessary and corruption not unusual, Professor Morgenthau argued, the scholar must guard his values implacably: "To the temptations of wealth and power held out by government, business and foundations, the scholar has nothing to oppose but his honor committed to a truth which for him, as for society, is but a doubtful thing. The step from corruption to betrayal is big in moral terms, but small in execution." He warned that in refusing to condemn Charles Van Doren, American society was condemning itself. Here, finally, in the concern for truth for its own sake, was an answer to that troublesome question, Who got hurt? No one did — only an idea, but it was one of those high ideas without which a society is not quite civilized.

The professor's argument rested on a devotion to an abstract good that one would not find among TV fans. Not that it is difficult to excite emotion in the mass audience, to make it sad or angry, but this must be done by referring to its shared experience. A lost or sick child will do it, or an unkind animal trainer. The investigating Congressmen, reaching every which way for some out-and-out villain on whom to fasten their public anger, thought they finally had the real thing when they found that child actors had been briefed for *The \$64,000 Challenge*. "Marauding on these kids with her devious ways," said one Congressman, of the show's co-producer. "It is a real shocking thing to me." But the seduction had given a solid boost to the kiddies' careers, and they weren't suing for damages — so difficult is it in the mass media to know at any moment who is using whom. For the children it had been just

another performance, and the Congressmen, finding no Fagin to hang, were compelled to settle for generalized irritation. As for the contestants, they had never abused a child; they were seen to be the moved rather than the movers. Taken as a subject of Human Interest — which, inevitably, was the way he was taken — Charles Van Doren, damp-eyed and wounded, inspired great sympathy.

The incapacity of most people to get aroused over abstract ideas — except in time of war when language is corrupted by unanimous consent — is an article of faith with the mass media. So too is the instantaneous ease with which a personal experience can make everybody laugh or cry. A nun, writing in *America*, compared the appeal of the quiz shows to the appeal of revival meetings, and their respective relationships to education and religion are much the same. If after the exposures of quiz-fixing, the TV audience had mounted the barricades in defense of knowledge or even of taste, then there would never have been any occasion for their protest. Persons holding these values would not have borne the quiz shows for three years; they could not bear most of television. Critics who charge that malevolent men are force-feeding junk to Americans are merely paying conventional democratic deference to The People. No one has to twist the TV viewer's tuning arm, though it occasionally needs a shove or a pat. The same easygoing, lightly discriminating, unknowing and uncaring consensus that saved the television industry from the nation's wrath in 1959 has brought networks and sponsors a dozen years of prosperity, and promises to bring them many more.

"Every violation of the truth," Emerson wrote, "is not only a sort of suicide in the liar, but is a stab at the health of human society. On the most profitable lie the course of events presently lays a destructive tax." A prophetic observation, Charles Van Doren might agree, but not convincing to the ordinary watcher of television. To make sense for him the message

would have to be made more dramatic, more directly translatable into his own experience. It would have to be *sold*. It is just this intellectual and emotional nearsightedness which delivers him up night after night, year after year, to his own serving men, the tribe of ingratiating frauds who run the mass media in America.

5

Conclusion: A Gentle Consensus

ONE SCENE is conspicuously missing from the dramas here reviewed: that indispensable early scene where the hero, having been tempted, is racked by an inner struggle over whether to succumb. Our protagonists suffered no such inconvenience. In moral harmony with circumstances, they were led to no overwhelming question; the answers were handed to them as they were handed to the quiz contestants, before the questions were asked. Murmurings of conscience after the event were effectively stilled either by an offended cry or by borrowing of Dr. Johnson's final consolation to the Reverend William Dodd on the eve of the latter's execution for forgery: "Be comforted: Your crime, morally or religiously considered, had no very deep dye of turpitude. It corrupted no man's principles; it attacked no man's life."

In ordinary criminal behavior, when a felon appears to lack a sense of wrongdoing we tend to probe for some personal maladjustment, but the psychological approach is not useful here. While the emotional peculiarities of a Mack or a Stempel certainly increased their value as accessories to the schemes of others, the motive power lay elsewhere. The argument of this book is that it came from deep within our society, that the persons involved were not so much unprincipled as without policy in these matters, and accepted their ethical standards

from the systems in which they found themselves — or lost themselves.

When we place our hopes on the individual conscience to keep a man from taking ethical shortcuts mapped out by a system that sustains and rewards him, we court disappointment. The condition of a person's conscience, as Carlyle noted, has far less influence on his happiness than the condition of his liver. And W. H. Lecky added that men readily become accustomed to institutions such as slaughterhouses which on first acquaintance seem horrible. How much easier, then, to make oneself at home in a jolly political club or in a large corporation that distributes printed personal welcomes from the president to every new employee.

This is not an astounding observation, but it is one that the chief spokesmen for the various systems never concede. President Eisenhower, worrying over the corruptive decline from minuet to Twist, would not trace the conflict-of-interest problems of his Administration to the way politics is organized and financed in this country, or to the way his official family was put together. The network presidents and board chairmen saw no connection between quiz-show fakery and the economics of television. And the heads of General Electric and Westinghouse insisted that their vice presidents were runaway individualists upsetting the customs of the trade. In each case we were assured that the particular scandal represented a mysteriously diseased village in an otherwise healthy land, which might be marked with the yellow flag of quarantine until the fever abated or the stricken persons were safely buried.

How much of this was conscious hypocrisy, how much comfortable incomprehension, one cannot say, but it is evident that quarantine is no remedy. If we really want to keep the Macks and Mansures away from Washington, we must first look to Dade and Cook counties. If we decide that it is im-

portant to bring businessmen into government, then we are going to have to be reasonable with a Strobel and perhaps even allow for an occasional Talbott. If we are satisfied to use television mainly as a billboard, then we should expect that it will be as honest as a billboard. And we ought to be able to accept the fact openly by now that if bigness in business is efficient, and if efficiency is what we are after, then competition is bound to suffer; General Electric does, after all, make excellent home appliances.

It is the fatuity and the obtuseness of official proclamations on these matters that is so demoralizing, the incapacity of important men to treat serious subjects in a serious way, or even to say what they think without having their words cleared for tact by their public relations departments. Our politicians have no heart for the job; our businessmen have no mind for it; our opinion-molders have no opinions. In every case, their major incentives work against honesty. The organizations they represent, affluent, acquisitive, habituated to putting a dollars-and-cents value on most things, require them to pay allegiance to many myths. Speaking to a society that likes to click its tongue at the ethical compromises which its own glorification of money and success makes inevitable, they are forced into hypocrisy.

Criticisms of a money-run society come readily enough. The perversion of values in a college professor receiving a fraction of the income of a TV comedian is spectacular. As Robert Heilbroner writes, it is not mere inequities of income that make social critics despair; it is the slums that are not leveled, the schools that are not improved only because such efforts are not "money-making propositions." "Things are in the saddle," cried Emerson, "and ride mankind." The lies and foolishness that we endure from advertising because it sells goods, the crowding of cities because real estate has become too "valu-

able" to be used for parks, the pollution of air and food in the name of sound business — these conditions represent the amoral cash nexus of our age.

Yet the same perverted values have helped to give us a bountiful, easeful, exciting existence. The high buildings and the traffic now suffocating our cities are symbols of the creative wealth that nourishes their adventurous life. So too, the offenses we have reviewed are integral parts of greatly valued institutions — and after all the shouting, they are recognized as such. Television will not be reformed merely because so much of it is cheap and specious. And no corporate image will be defaced by an occasional antitrust conviction.

For the men who must run America's great institutions, the ethical guidelines of other generations offer little help. It is not that our most prestigious citizens have no standards: as individuals dealing with other individuals, most of them are honest to the penny; they never cheat the corner grocer. But in public office, in the corporation, in the mass media, wherever men must make decisions as members of a group, where responsibility is diffused and the consequences of an action are off in the far distance, then standards become elusive. "Who will be hurt if I do this?" our principals kept asking, and there came no convincing answer.

The fanciful Codes of Behavior which are refurbished and promulgated seasonally by those at the top testify to our lack of any enduring code to meet our institutional dilemmas. In just the same way, the human relations program we make so much of are an admission that the human element has gone out of our decisions, and no show of paternalism or rallying cry of team spirit can bring it back again. In our ultra-organized world, it is fond nostalgia to dream of a time when ethical choices could still be made on a man-to-man or man-to-God basis. That kind of reality is lost to us. Our decision-makers might be competing in a fantasy tennis match, on a court where

the net is slack, the end lines are faded and the opponent is not flesh and blood. From all sides come exhortations to hit the ball hard, and they hit away mindlessly with all their skill and might. The rules of the game are obscure, but the technique is superlative.

Who is to define the rules? Not the star players themselves, the successful politicians and executives; their show of unconcern has been thoroughly convincing. Definitions could come from mavericks within the systems or from outside, from the universities perhaps, but to possess any force, they would have to be in response to a demand, and there is no demand. The nation rests content. Like the eminent men who have been entangled in the decade's scandals, the public that tolerates them is in many ways soft and weak, self-centered and self-indulgent. Yet it is also friendly, generous and quite decent; no call for charity at home or abroad goes unanswered. The ethical antennae of both the offenders and their citizen-judges seem able to receive only selective signals — but before invoking a time when all men harkened to moral commandments that were universal and supreme, we ought to remember that such times were in most respects much crueler than our own. It is as though there were a compensatory law at work.

With all our emphasis on producing technical devices for the annihilation of whole populations by remote control, our frenetic piling up of tangible goods and periodic reversion to mob brutality, we live in a relatively kindly society. The viciousness that was common in other ages is now diagnosed as psychopathic. Postwar parents are famously considerate of their children and are more gentle in their dealings with one another than would have seemed believable a century ago. Compromise comes easily in America today, but so does compassion — both come too easily, no doubt, without sufficient discrimination. But being easygoing is not the same as being degenerate. The worst charge that can be brought against us is not moral bank-

ruptcy, but intellectual sloth — less than a hanging offense as things go in the world.

Public calls for a better moral tone, for less cheating and more truth, generally come from politicians, popular religionists and other after-dinner speakers who promise that we will be happier and healthier for it, feel cleaner inside at the very least, and probably beat the Russians to the moon. They are participants in the fraud they decry. The most honest men are not the happiest; they are emphatically not the most successful. History makes the same sad point about nations. Most of us are traveling an easy road, but there is no proof that we would be better off, externally or internally, on a harder one.

All that one may suggest is that if our public men could speak more candidly more often, we might then be able to listen to them without chuckling or yawning. That in itself would be a considerable advance toward understanding our society and what is so depressing about so much of it. But there is no great craving in this country for serious plain-speaking by leaders in and out of government. The mass-media-pampered desires of most Americans for nice things and a nice time, a *worthwhile* education for the children, a satisfying sex life for themselves, a green lawn for the neighborhood, can be met without such honesty; it is not widely sought and when offered it is not especially liked or comprehended. So the melancholy exercise goes on, with persons of consequence delivering weighty banalities to a nation grown accustomed to listening raptly and paying no attention. Our cities thrive and our suburbs are pleasant; what dissatisfaction exists comes from private woes, not public disgrace. Like an aged and roast-beef-bloated club member, stupefied with well-being and hypnotized by his own digestive processes, our otherwise vigorous young nation's response to charlatanism, ineptitude and mediocrity in all its forms is a brief grumble and a prolonged, all-expressive shrug.

Acknowledgments

Before listing a number of books that have been the source of much borrowing and the recipients of scant credit in the text, it is a pleasure to pay my grateful respects to the following:

The New York Public Library, that estimable expression of Western civilization. The patient ladies in the reference room of the White Plains Public Library. Mr. Harry Alderman, the American Jewish Committee's supremely capable librarian, and his staff. The library of the Jewish Theological Seminary of America. The *New York Times*, preeminent fund of information, which must stand for all the newspapers and magazines whose reports I have expropriated without specific acknowledgment.

Mr. John Cogley and his associates at the Center for Democratic Institutions, whose material I found very helpful. Mr. Robert A. Bicks, who was generous with both his time and his first-hand knowledge. Mr. Robert Stein, who gave me as frank an opinion of the manuscript as friendship would permit—and who, with the collaboration of Miss Patricia Simon, also gave the book a title. Mr. Richard Gilston, whose practical encouragement helped get the project started. And Mr. Eliezer Greenberg, who blessed each section as it came along.

Hal and Bennet, who forced me to keep perspective.

And Elaine

WALTER GOODMAN

Greenburgh, New York

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